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DAILY REPORT

Asia & Pacific

yol IV No 088 7 May 1986

For reportage and comment on the Chernobyl nuclear accident, see the 7 May and subsequent Soviet Union DAILY REPORT supplements entitled, "Chernobyl Incident."

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NAKASONE FORMALLY REVIEWS OUTCOME OF SUMMIT

OW061239 Tokyo KYODO in English 1231 GMT 6 May 86

[Text] Tokyo, May 6 KYODO -- following is a full text of Prime Minister Yasuhiro Nakasone's remarks summarizing three days of summit talks:

At the closing of the Tokyo summit I would like to summarize the discussions as chairman of the meeting. For the past two days we have had an intensive and frank exchange of views on economic, political and other issues. It is most gratifying for me to have been able through our discussions to reaffirm the mutual understanding and trust among us and to proclaim to the world our determination to further ensure bright prospects for the world economy.

We are convinced that the fact we have squarely addressed ourselves to the various issues confronting us today and to the task of building a better future will have reinforced the high hopes and confidence in freedom and democracy in the minds of people throughout the world. As a result of this summit conference, three statements were issued yesterday, namely the Tokyo declaration, the statement on international terrorism, and the statement on the implications of the Chernobyl nuclear accident. Today we agreed on the economic declaration which I would like to introduct shortly.

We discussed how to secure stable development of East-West relations which have crucial significance for world peace. In particular we exchanged views on the situation of the Soviet Union at this current juncture with more than a year having elapsed since General Secretary Gorbachev's accession to office, and expressed hope for steady progress in high-level dialogue between East and West, including the second summit meeting between President Reagan and General Secretary Gorbachev expected to be held within this year We also agreed that in arms control negotiations, balanced, substantial and verifiable arms reductions should be sought.

Being fully aware of the significance of this summit conference having been held in the Asian-Pacific region, we discussed the various problems facing this region, based on the recognition that his region will in the years ahead further increase its importance to the world's peace and prosperity. We wish to contribute to its stability and progress while respecting the individual efforts of respective countries in the region.

We reaffirmed our support for the North-South dialogue on the Korean peninsula and efforts to create a favorable environment conducive to it, our cooperation toward and support for the success of the Seoul Olympics, and our belief that the accession of both North and South Korea to the United Nations would be beneficial from the standpoint of the universality of the United Nations as well as relaxation of tensions.

We are concerned over the Kampuchean problem, which constitutes a major obstacle to the peace and stability of Southeast Asia, and reaffirmed our strong support for the peace efforts of the ASEAN countries toward the settlement of this problem.

We also welcome the establishment of the new government in the Philippines with wide popular support, hope that political and economic reforms will be promoted in that country, and express our readiness to support the efforts of the new government to overcome economic problems.

With regard to Afghanistan, we reaffirmed our position and reiterated our support for a political settlement through proximity talks under the auspices of the United Nations. In particular, we stressed that the Soviet Union should present at the currend round of proximity talks which started Monday a positive and concrete timetable for the withdrawal of all Soviet forces, which would be an important test of the good faith of the Soviet Union.

We also agreed to call on the parties concerned to exert further efforts for the realization of peace in the Middle East.

We also had useful exchanges of views on such issues as the Iran-Iraq conflict and Central and South America, and we reaffirmed that the conflict now taking place in these regions could seriously affect world peace and should be settled peacefully through dialogue.

We also agreed on the importance of a peaceful solution to the question of apartheid and, appreciating the various international efforts which have been exerted, agreed to continue to call on the parties concerned to strive for such an objective.

We discussed the problem of drug abuse. We reaffirmed that we would continue to implement effective measures to prevent the production, international trafficking and abuse of drugs in accordance with reports submitted to us following the agreement made at the Bonn summit held last year and with our resolve expressed in our Tokyo declaration.

Gives Press Conference

OW061229 Tokyo NHK Television Network in Japanese 0750 GMT 6 May 86

[Press conference given by Prime Minister Yasuhiro Nakasone at the Tokyo summit press center at Hotel New Otani -- live]

[Text] [Unidentified moderator] We have kept you waiting for a long time. Now we will begin Prime Minister Nakasone's press conference. Mr Prime Minister, please.

[Nakasone] Thanks to the extraordinary cooperation rendered by you, the nation, the Tokyo summit has come to a smooth conclusion. I express my heartfelt thanks to you. I also express my gratitude to you, people of the news media, for your extraordinary cooperation. I am sorry for having put those of you living in and around Tokyo to much trouble due to traffic and other restrictions. Since the inconvenience was created under unavoidable circumstances, I offer my apologies and, at the same time, express my thanks to you for your warm cooperation.

As I have been calling my cabinet a working Cabinet, I wanted to turn the summit into a working summit and I believe, in that sense, that I steered it to make it a working summit devoted to work. As a result, I think that it became a very substantial summit in content as well.

During the summit, thanks to the cooperation rendered by those of you in the private sector, the guests have been very grateful for the hospitality and reception accorded them. I humbly convey their thanks to you and express my gratitude to those of you in the private sector for your cooperation. The summit this time released the Tokyo declaration, which is a general declaration, the statement on the effects of the Chernobyl nuclear power plant accident, and measures against international terrorism, as well as the economic declaration and the chairman's summary, which I have read just now.

Regarding the Tokyo declaration, this is the second summit to be held in Asia.... Since Asian nations had a deep interest in it and since I thought we must take action with Asia's interests taken fully into consideration, the foreign and finance ministers and all other pertinent Japanese officials strove toward that end.

The deeply-rooted and time-honored civilizations of Asia, Europe, and America, which are undergoing developments, are fused here and are moving on to create a new civilization.

We renewed our pledge to move on toward a hope-filled world in the 21st century. I think that herein lie the most notable characteristics of the summit. Politically, or specifically rather, delegates from the three poles of Europe, the American continent, and Japan are gathered here.

The nuclear power plant accident was taken up immediately, as it was a grave issue which broke out most recently. We reached accord on the necessity of making emergency notifications, and undertaking joint action and other cooperative relations. This is not in the least meant to condemn the Soviet Union. On the contrary we expressed our sympathy. For the safety of mankind -- since radioactivity was indeed scattered across borders, and since we must pay adequate attention to safety management, construction, and other matters so as not to let those problems arise, and since we must take concerted action action with respect to emergency notifications or assistance in case an accident does break out, we adopted a decision calling for such concerted action through the International Atomic Energy Agency -- IAEA.

Regarding the issue of international terrorism, the modes of terrorism have undergone quite a drastic change lately, and terrorism supported by governments — heinous terrorist acts — has considerably increased. Entertaining deep apprehensions about this, we all unanimously agreed that we should never tolerate innocent citizens sustaining that sort of harm and that we should resolutely condemn and take a resolute attitude against that sort of terrorism. And we decide on joint action against it. However, this means that we adopted a concrete decision concerning a joint defensive posture aimed at preventing a defending against acts of terrorism. But it does not entail economic or other sanctions.

Our Arab policy and our conventional Middle East policy remain unchanged. For the Middle East peace and the economic development of the countries in that region we intend to continue our efforts as before.

We believe that we exerted much effort on the Asian questions and the developing countries' problems. In that regard I particularly referred to the Korean Peninsula, Cambodia, the Philippines, and other issues. Regarding the developing countries' problems, I spoke often and made efforts regarding the promotion of exports of the developing countries, financial aid for their economic difficulties, and other specific questions. The agricultural issue, particularly that facing the developing countries, was explicitly incorporated in the economic declaration. I did all this taking the ASEAN position and the positions of the Asian countries into consideration.

An important issue discussed was the so-called peace and disarmament question. I spoke on the issue. I made a strong request to President Reagan this time again that disarmament and peace be stressed in order to make progress toward the abolition of nuclear weapons, and particularly that the second U.S.-Soviet summit be convened. It was unanimously agreed that everyone cooperate to help nuclear disarmament or reductions in armaments make concrete progress.

With regard to economic issues, we rejoiced over the fact that the bright situation has gradually increased on a global scale. The strengthening of policy cooperation and the promotion of structural readjustment policies on a global scale have been the two remarkable tendencies since last year. We dealt with them at length and we have been proposing that they be carried out efficiently in the days ahead under an international agreement.

We have said much about and striven hard for the lowering of interest rates and the stabilization of exchange rates. In this regard, there is a statement issue at the Williamsburg summit and it implies that, when necessary, the summit national will hold consultations or make interventions.

We have strongly emphasized this point. As for Japan, the latest phenomenon of the yen's appreciation is bringing great difficulties to the Japanese economy. The value of the yen is rising too rapidly. The yen's sudden appreciation by more than 40 percent in 6 months is totally unbearable for those who are engaging in economic and commercial activities. Our delegation put heavy stress on these circumstances and appealed to other delegations about them and won their fresh understanding of those circumstances. And, as I have mentioned, they came to be reflected in the joint statement released this time.

Regarding the issue of the promotion of free trade, it was unanimously agreed, from beginning to end, that a resolute struggle would be waged against protectionism. Of late, protectionist tendencies have been reemerging. The United States, Europe, and Japan agreed that they would join hands with each other in fighting resolutly against those tendencies and in defending free trade. To this end, we talked about accelerating GATT negotiations in the hope that a drastic advance would be made at the ministerial meeting in September.

Regarding the problem of debtor countries, we also discussed financial aid, cooperation toward their exports, and the opening of the advanced nations' markets.

Finally, before the opening of the Tokyo Summit I had had an opportunity to hear views from those attending the so-called labor summit. I also met them in person. I had also received requests from the UN secretary general, the ASEAN group, and also the Cartagena group of the debtor nations in Latin America. I conveyed those requests to the summit participants.

What I felt keenly was that Japan, as the host nation, saw its international position become very high and its responsibility become very weighty. I also thought it necessary for Japan to make itself a country more substantial as an international state. At the same time, I keenly felt that Japan should carry out its domestic and foreign policies further, thereby promoting the prosperity, peace, and welfare of Japan and, at the same time, making great contributions to the peace, prosperity, and welfare of the world. I felt that Japan had become a country which duly carries that weight. I wanted to convey this to you all.

That is all. Thank you.

[Moderator] The prime minister will now take your questions.

[Nasa] I am Nasa of TOKYO SHIMBUN. My question is about the summit statement on international terrorism. While it had been said that the statement would include no reference to Libya by name, it turned out that it has in fact such a reference included in it. In this connection, it is said that this could have an impact on the Middle East policy Japan has been pursuing on its own. What is your view? Although you have just briefly commented on this subject, would you kindly elaborate on it some more?

[Nakasone] On the question of including a reference to Libya by name, there was some heated discussion. As for Japan, we recently received detailed explanations from the United States about the problem between the United States and Libya, including specific evidence of the Libyan Government's involvement — specific evidence obtained before and after the Berlin discotheque explosion incident. We thus deepened our awareness. I personally expressed my view on this matter at at Diet session.

At the summit meeting, it was stressed that all countries must fight international terrorism, that they must condemn it and take effective measures to defend themselves against it.

It was noted that in cases where state organizations are involved —where a state is involved — diplomatic privileges could be used to bring in dangerous articles and dangerous persons. We therefore discussed how to defend ourselves, our peoples and countries around the world against them. This time we discussed specific measures of defense against vicious international terrorism that takes advantage of diplomatic privilege, writing down the result in the form of the statement.

Indeed, there was the question of whether or not to mention Libya by name in the statement. First of all, all the member nations — all member nations except Japan, I should say — argued that this is a matter which is crystal clear and that the statement should include the mention of Libya by name. In this situation, I as chairman of the summit, had to accept their view as it is, incorporating it in the statement.

This, however, does not mean that we did it against the Arabs. Our policies toward the Middle East and Arab nations remain unchanged. As stipulated in the summit statement, the measures will be applied in accordance with, and within the framework of, international law and domestic laws of individual nations, and on the basis of the judgment of the government of each nation. In short, we will use our own judgment in applying the measures. We just followed the view of the EC and all other countries that the stance as indicated in the statement should be manifested on this occasion.

[Moderator] Next question, please.

[Hori] I am Hori of NHK. Ny question is about the yen appreciation issue. I believe that as you mentioned earlier, the Japanese had pinned great hope on the summit for finding a chance to slow down the rapidly appreciating yen one way or another. However, it failed to secure positive cooperation of other summit leaders and, as a result, the value of the yen soared to the highest level in history today. Instead of slowing down the yen surge, the summit has even accelerated it further, generating apprehensions that it might not only affect the Japanese economy but seriously impact on domestic politics. Would you comment on this point, Mr Prime Minister?

[Nakasone] On the question of the exchange rate, I fully explained to summit leaders the situation in Japan and about how our industries and economy are suffering now. The ministers of foreign affairs, finance, MITI and I did all we could to convince them. Germany assumed a more or less similar position and made remarks similar to ours, I think. In response, they recognized the real situation we are in, I believe.

Nevertheless, with regard to the question of exchange rates, it is impossible -- and inappropriate, too -- to mention any specific level or things like that at a political forum. Consequently, we just reaffirmed the principles. We reaffirmed that there will be intervention as promised at Williamsburg whenever such intervention is found to be necessary and useful.

As for Japan, we do not think that the present situation will continue indefinitely. I have personally already instructed the director general of the Economic Planning Agency, the finance minister, and MITI minister to study measures to stimulate domestic demand and emergency programs for medium— and small—size enterprises and other businesses in distress. Along with such measures dealing with the present situation, I am considering ways and means to put to effective use the accords that have been reached at the summit, including those on G-5 or G-7 fora. I will have the authorities concerned study the effective use of these accords and I will put them to effective use wherever possible.

[Moderator] Next question please.

[Kokubu] I am Kokubu of KYODO. Now that the Tokyo summit, which was a great event for you, Mr Prime Minister, is over, I would like to ask you about two points concerning domestic politics on this occasion. The first point is about the current Diet session, which now has a little more than 2 weeks before coming to its conclusion and how you will tackle the remaining major bills such as the bill concerning the seat reapportionment for the House of Representatives. The other point is whether or not there will be a dissolution of the House of Representatives. As you see, some members of that house have been on the move with that eventuality in mind during the holiday season. LDP Secretary General Kanemaru has been saying it now is up to what you have in mind on this subject. Would you comment on what you have in mind now?

[Nakasone] First, I still have things to do. The Canadian prime minister's official visit is about to start now. Nevertheless, I plan to push for the passage of or a fruitful debate on the Japan National Railways [JNR] bill and the Lower House seat reapportionment bill. I am especially determined to have the seat reapportionment bill passed. I will keep working for it, in unison with the LDP. It is currently in the hands of the speaker of the House of Representatives. The speaker may reveal his idea when we return to work after the holiday season. When he does, I will consult with the party. Inasmuch as we adopted a resolution on the matter in the last Diet session, and in view of all the promised we have made on it, I am firmly resolved to have it passed in the current Diet session. The JNR bill is also an important bill. I would like to see a full debate begun on it as soon as possible and the debate accelerated as much as possible to ensure its early passage.

The work yet to be done includes economic measures. We are required to formulate as soon as possible measures to deal with problems relating to medium— and small—sized enterprises and the yen appreciation. As I said, I have already instructed my cabinet members concerned to study measures to deal with the yen appreciation and stimulate domestic demand. Together with them and in unison with the party, I will devote all I have to resolution of these problems.

Regarding the question of whether or not to dissolve the House of Representatives, I had said earlier that I was not thinking about dissolution; I have been preoccupied with the summit and I could not find time to think about dissolution of the House of Representatives.

[Moderator] We will now move on the next question. Next question, please.

[Oikawa] I am Oikawa of YOMIURI SHIMBUN. My question is in a sense related to domestic politics, too. Within the LDP, some leaders, including the so-called new leaders, have been saying that they would cooperate with the Nakasone leadership through the Tokyo summit at least. Now that the summit is over, it appears that the political season has begun. What is you basic view in this respect at this juncture? And, do you have any plan to discuss with those so-called new leaders the question of future political stability or that of dissolution of the Diet, which you may consider in the future?

[Nakasone] Anyway, I have been so preoccupied with how to lead the summit to success for the past several days that I have even experienced sleepless nights. If you ask me political questions like this all of a sudden, I simply feel puzzled. I can say one thing, however. It is that the LDP as a whole in the name of the cabinet or the LDP. In that context, I will continue to cooperate with anyone in the future to work for the country.

Our people are concerned about the yen appreciation and other issues such as East-West relations and U.S.-USSR relations, I believe. For politicians, the country and the people come first. For the country and the people, they must sacrifice themselves. That is the way politicians should be, I believe. With that in mind, I will continue to cooperate with all to carry out policies that have been made by all, dividing responsibilities among us.

[Moderator] Finally, the prime minister will take one more question.

[Minobe] I am Minobe of THE JAPAN TIMES. With regard to cooperation in terms of international economic policies, the summit has agreed on the effective use of a variety of economic indices. In that respect, do you have any apprehension that there will be greater and more specific pressures coming from other countries in the future regarding Japan's current account surplus — more specific pressures that will bear on such fields as domestic demand and our tax system, for example?

[Nakasone] At the summit this time, there were no specific charges addressed to me --charges concerning Japan such as our trade being out of balance. In general terms, however, there were discussions of the international balance of payments or recovery of equilibrium between exports and imports on several occasions.

Without others telling us what to do, we already know, however, that we cannot survive as a member of the international community unless we change things that should be changed. Therefore, on 1 May we adopted a new policy concerning the promotion of the restructuring of the Japanese economy in various areas such as imports and domestic demand tax reduction. We are now about to put this policy into effect. We will go ahead and carry it out on our own. Let me repeat that there were no accusations addressed to Japan by name at the summit, however.

Each country has its problems. The United States has the problem of a massive budget deficit and European countries have their nagging problems of unemployment. All have their own economic problems. There was strong agreement among the countries, I believe, that each country would work to resolve its problems with a sense of responsibility. Japan should be doing whatever it should do. That is the way I think.

[Moderator] This concludes the prime minister's press conference. Thank you very much.

[Nakasone] Thank you very much.

CRITICISM OF NAKASONE INACTION ON YEN EXPRESSED

Opposition Parties

OW061211 Tokyo KYODO in English 1158 GMT 6 May 86

[Text] Tokyo, May 6 KYODO -- Prime Minister Yashuro Nakasone's political foes criticized him Tuesday for failing to redress the yen's appreciation against the dollar at the Tokyo summit of industrialized nations. The nation's no. 1 opposition Japan Socialist Party charged that Nakasone could not escape from assuming heavy responsibility for failure to correct the yen's rapid rise in relation to the U.S. currency.

The party also said that Nakasone may have laid the basis for future trouble in Japan by joining the leaders of the United States, Canada, Britain, France, West Germany and Italy in condemning Libya for its alleged involvement in international terrorism. The party issued the critical remarks at the conclusion of the three-day summit. It said the responsibility for terrorism should not be pressed on a specific nation.

Komeito, a political party supported by the Buddhist religious organization Soka Gakkai, also took the Nakasone cabinet to task for failing to get consent of the summiteers for a redressing of the yen's high value against the dollar. The failure to establish a cooperative system in the monetary field, it said, is a blow to the future of the Japanese economy.

The moderate opposition Democratic Socialist Party also noted that the western nations' nonintervention in the exchange markets will create a serious effect on the Japanese economy.

The Japan Communist Party said the summiteers gave in to the will of the United States in justifying the "agressive" action by the U.S. in Libya.

The United Democratic Socialist Party said Nakasone tried to make the Tokyo summit a success so as to use it to make a breakthrough in his attempt to seek a third two-year term as president of the ruling Liberal-Democratic Party and thereby retain the premiership. But, it said, Nakasone clearly failed,

Business Leaders

OW061253 Tokyo KYODO in English 1240 GMT 6 May 86

[Text] Tokyo, May 6 KYODO -- Japanese business leaders Tuesday expressed general disappointment over the failure to agree on measures to check further appreciation of the yen against the U.S. dollar at the just-ended seven-nation Tokyo summit. The yen jumped to a record-high 164.85 yen momentarily Tuesday on the Tokyo foreign exchange market.

Many business leaders voiced the need to remove Japan's trade friction with its trading partners and stabilize the yen's exchange rate by expanding the country's domestic demand and opening its markets further to foreign products. Yoshihiro Inayama, chairman of the Federation of Economic Organizations (Keidanren), said the summit did not "necessarily" produce results which Japan had hoped for in the monetary field, and that Japanese industry pins great hopes on the yen's future stabilization and concerted intervention to achieve it.

Japan should urge other summit nations to cooperate in that regard through such fora as the Group of Seven (G-7) finance ministers meeting which the summit leaders have decided to create to promote international coordination of economic policies, he said.

Takashi Ishihara, chairman of the Japan Committee For Economic Development (Keizai Doyukai), lamented the summitteers failed to stress the need for intervening jointly in the money markets in a flexible manner for exchange rate stabilization.

Noboru Goto, chairman of the Japan Chamber of Commerce and Industry, echoed Inayama's call for additional measures to expand the country's domestic demand and open up its markets, adding Japan should take the opportunity to transform the Japanese economy to one more reliant on domestic demand. But Keizo Saji, chairman of the Osaka Chamber of Commerce and Industry, said in an approving way that the summit had a big achievement to its credit in that the western leaders agreed to strengthen the system for international policy coordination to stabilize foreign exchange rates.

Corporate leaders, especially those of export-oriented businesses, had a deepened apprehension over the future direction of the yen as a result of the summit talks.

Yutaka Hirata, president of Unitika Ltd., said the stronger yen is really a "life-or-death" problem for his company and urged the government to take all possible measures to rectify the yen's high exchange rate.

Yutaka Takeda, president of Nippon Steel Corp., also expressed great regret over the summit's failure to agree on any effective measures to keep the yen from further rising in value against the dollar.

SUMMIT FINANCE MINISTERS DISCUSS NEW GATT ROUND

OW051023 Tokyo KYODO in English 1011 GMT 5 May 86

[Text] Tokyo, May 5 KYODO -- Finance ministers at the Tokyo summit Monday failed to agree on a starting date for a new round of multilateral trade negotiations under the general agreement on Tariffs and Trade (GATT). But they reached a consensus on discussion of "new fields," including the services and intellectual property matters strongly requested by the United States, in the global trade talks, a senior Japanese Government official said.

The financial leaders from seven industrial countries and the European Community (EC) held a working luncheon at Tokyo's Akasaka Guesthouse, where they also agreed that agriculture will be another of several important issues in the new round, the official said. The 90 GATT members agreed last November to start a new trade round and established a preparatory committee to draft a declaration for a GATT Ministerial Council at Punta Del Este, Uruguay, in September. The preparatory committee plans to have the declaration ready by the end of July.

The finance ministers, continuing their debate over lunch on the second day of the three-day summit, confirmed their commitment against protective trade measures and for tarrif cuts, the official said. They agreed that the new round will deal with new rules on safeguards and settlement of disputes, he said.

The new round, proposed by Japan and the U.S. in 1983, would follow the 1973-79 Tokyo round.

FRANCE'S RAIMOND ON U.S. RAID ON LIBYA

OW051251 Tokyo KYODO in English 1246 GMT 5 May 86

[Text] Tokyo, May 5 KYODO - Following a meeting of foreign ministers of seven industrial nations at the Tokyo summit Sunday, French Foreign Minister Jean-Bernard Raimond told the press corps that any misunderstandings between the United States and France are "a thing of the past." Referring to France's denial of permission for U.S. planes to fly over France during a retaliatory raid on Libya in April, Raimond said France did not give its consent because it "received too short notice without proper consultation" before the U.S. move.

France does not "agree or disagree with the U.S.," Raimond said. "Nor are we pro-Libya," he added. Raimond said that he understood the summit declaration on terrorism as a document condemning terrorism, but not one making countermeasures against terrorist countries obligatory. Raimond said that diplomatic relations with Libya or countries suspected of terrorism would not be cut, but the communique was meant to formally denouce the spirit of terrorism.

Raimond also said that French Prime Minister Jacques Chirac -- who was shown the communique on terrorism shortly after he arrived to join the French delegation Monday -- agreed immediately to its wording.

France did not oppose mention of Libya in the antiterrorist statement because, Raimond said, the European Community has already decided a common European attitude on the issue.

SUMMIT LEADERS AID NORTH-SOUTH KOREAN DIALOGUE

HKO51541 Hong Kong AFP in English 1534 GMT 5 May 86

[Text] Tokyo, May 5 (AFP) -- Leaders of the seven major industrial nations agreed here Monday to help promote dialogue between North and South Korea and to seek their dual membership of the United Nations, a Japanese Foreign Ministry official said. The heads of state or government and their foreign ministers also pledged support for South Korea's plans to host the Asian Games later this year and the Summer Olympics in 1988, the official said.

North Korea has been opposed to the two Koreas being admitted to the United Nations at the same time and also demands that it co-host the Olympics. Pyongyang holds that the dual venue for the Olympics would help reunification and that only a single, reunited Korea should be a member of the United Nations.

The agreements were reached as the leaders from Britain, Canada, France, West Germany, Italy, Japan and the United States and a representative of the European Economic Community were treated to a working banquet by Japanese Prime Minister Yasuhiro Nakasone on the seconday of the seven-nation annual summit. During the 90-minute Japanese-sytle meal at a hotel, the leaders unanimously approved a report by Japanese Foreign Minister Shintaro Abe summing up discussions earlier with his counterparts centered on Asian regional issues, the official said.

Mr. Abe told the leaders that the foreign ministers had shared the view that Asia was characterized by "dynamism," but had noted that Asian countries were in a period of economic slowdown and were in an area where there was a strong Soviet military presence, the official said.

The foreign ministers agreed that talks on Sino-Soviet rapprochement were advancing at the low-official or "working level," but at a higher political level, Mr. Abe was quoted as saying. On the Cambodian question, he said that the foreign ministers expressed support for efforts by the non-communist Association of Southeast Asian Nations (ASEAN) towards getting a peaceful settlement in the strife-torn state. ASEAN member countries back the Cambodian resistance opposing a pro-Vietnamese government in Phnom Penh which is backed up by about 150,000 Vietnamese troops.

The ministers also pledged to help the new Philippine Government of President Corazon Aquino rehabilitate the Philippine Economy. "We wish to see the Philippines make its own efforts to rebuild the economy," Mr. Abe was quoted as saying.

POLICE UNABLE TO LINK ARRESTED MAN WITH RADICALS

OWO60615 Tokyo KYODO in English 0608 GMT 6 May 86

[Text] Tokyo, May KYODO -- A man carrying a gasoline-filled bottle was arrested some 100 meters away from the U.S. Embassy in Tokyo about noon Tuesday. Police said the man, 24 or 25, of medium height and build, had a bottle half filled with gasoline in a knapsack on his back.

A security guard of a building near the scene, who witnessed the arrest, said, "The man walked from a boulevard some 300 meters away in the direction of the embassy. He tried to run away when a policeman on summit alert guard duty asked him to show the contents of his knapsack, but he was captured."

The man is maintaining silence under interrogation and so far no evidence has been found that connects him with radical groups, especially the leftist Chukaku-ha or middle core faction that has been creating disturbances these days in Tokyo, police said.

CHUKAKU-HA LEADER ON SUBWAY, SUMMIT ATTACKS

OW061111 Tokyo KYODO in English 1056 GMT 6 May 86

[By Hiroaki Furundo]

[Text] Tokyo, May 6 KYODO -- A leader of the radical leftist group Chukaku-ha Tuesday denied the group's involvement in subversive activities which caused inconvenience to more than 80,000 commuters during the rush-hour earlier in the day. Makoto Matsuo, 36, said in an exclusive interview with KYODO NEWS SERVICE: "The action was so childish. We ridicule it." Matsuo would not disclose, however, whether the Chukaku-ha would stage a second rocket attack in an attempt to disrupt the seven-nation Tokyo summit ending late Tuesday.

Asked about the failure of the rockets to hit their target, the Akasaka State Guesthouse, venue for the summit, he said with a hint of embarrassment, "the rockets flew a little bit further than we expected, but it has proved that the rockets are capable of travelling about 3.5 kilometers." "We are determined to make further efforts to upgrade the explosives," he added. The Chukaku-ha rockets, fired from a condominium in Shinjuku, landed near the Canadian Embassy, causing only minor damage in and around the compound. No one was injured.

The group's inner clandestine revolutionary army, comprising 100-200 personnel, boasted of its attack in a "military report" issued shortly after saying: "It was a great success. The state emergency police blockade mobilizing 30,000 policemen daily can't stop us from launching a second assault." Referring to a possible second attack, Matsuo noted that the group's "army" is made up of underground agents. "It's all up to them." Asked if Japan's biggest and most dangerous leftist group has links to Libya, he answered, "no contact has been made so far. Our goal is to disrupt the imperial system and capitalism in Japan."

Matsumoto, a professional revolutionary and onetime leader of the radical student league "Zengaku-ren," also said the May 4 rocket attack was the group's biggest military action since 1963, when the group was established as a splinter Troskyite group. "We spent enormous money in carrying out the military action. But we expect lots of donations from our supporters will be provided from here on," he said in a satisfied manner.

Police believe that the group has an estimated annual budget of one billion yen collected mostly from supporters numbering more than 100,000 people across the country. The group has about 3,000 members, including Japanese National Railways (JNR) workers, school teachers and public servants. It is one of about 20-25 leftist groups in Japan comprising about 35,000 members all told.

KAKUROKYU CLAIMS RESPONSIBILITY FOR DISTURBANCES

OW070509 Tokyo KYODO in English 0500 GMT 7 May 86

[Text] Tokyo, May 7 KYODO -- A radical left group, Kakurokyo, claimed responsibility Wednesday for a string of firecracker incidents at subway and other railway stations here Tuesday morning. Kakurokyo (Revolutionary Workers Council) declared that it took the action to "blow up" the Tokyo summit of seven major advanced democracies, which ended fuesday.

No damage or casualties were reported when the firecrackers went off at 16 stations.

The same group launched rocket-propelled, handmade shells against the Togu palace, residence of Crown Prince Akihito, and the Akasaka Palace which was the main venue for the three-day summit, both on March 31, according to police.

Another extremist group, Chukaku-ha (Middle Core Faction), fired five handmade shells against the Akasaka Palace on Sunday, the opening day of the summit, police said. Japanese radical groups vowed to blow up the Tokyo summit and the government-sponsored ceremony celebrating Emperor Hirohito's 60-year reign, which preceded it.

EMPEROR HOSTS BANQUET FOR SUMMIT MEMBERS

OW061201 Tokyo KYODO in English 1147 GMT 6 May 86

[Text] Tokyo, May 6 KYODO -- Emperor Hirohito Tuesday hosted a royal banquet at the Imperial Palace as a grand finale to the Tokyo summit of seven advanced democracies. It was the first time since the 1979 Tokyo summit that the emperor had received so many world leaders at the "Homeiden" (rich and bright) hall. The bespectacled and stooping emperor, who celebrated his 85th birthday on April 29, first greeted and shook hands with United States President Ronald Reagan and his wife Nancy. Reagan, who has held office since 1981, is the most senior head of state among the summiteers, an imperial household agency spokesman said.

British Prime Minister Margaret Thatcher, who is head of government but not of state, has been in office longer than any of the other summitteers.

The emperor, one of the world's longest-serving and oldest monarchs, then received the other summit leaders and their wives, greeting each of them with a few words at the Bamboo (Take) Room of the main palace building, about 1.5 kilometers away from the state guesthouse.

Canadian Prime Minister Brian Mulroney was the only leader who Emperor Hirohito was receiving in audience for the first time.

French Prime Minister Jacques Chirac joined his "cohabitation' partner, President Francois Mitterrand, at the banquet. European Council President Rudolph Lubbers was also present together with European Community Commission President Jacques Delors. Prime Minister Yasuhiro Nakasone and his wife Tsutako were also present.

After group photographs had been taken, Emperor Hirohito led the political leaders to the "Ume" (Apricot) Room and introduced them to Crown Princess Michiko and other royal family members. Crown Prince Akihito had earlier stood at the entrance of the main palace to welcome the summit leaders.

Emperor Hirohito and the leaders then moved to the "Rensui" (Emeral) Room where they had appetizers while the ambassadors to Japan of each summit nation introduced the emperor to foreign and finance ministers attending the summit. Appetizers and afterdinner wines included samples from each summit nation, while the background music was ancient imperial court music played by imperial household agency musicians clad in traditional costumes. There were no toasts, speeches or playing of national anthems at the banquet.

Following the one-hour banquet consisting of French cuisine, the summiteers chatted with royal family members in the "She ju" (Spring and Autumn) Room, in a relaxed and convivial end to the three-day meeting.

NATIONAL LEADERS END STAY AT SUMMIT, DEPART

UK's Thatcher

OWO61349 Tokyo KYODO in English 1325 GMT 6 May 86

[Text] Tokyo, May 6 KYODO -- British Prime Minister Margaret Thatcher left Japan Tuesday night winding up a three-day visit to attend the Tokyo summit of seven leading western nations. Thatcher, the first summiteer to leave Japan, was accompanied by Foreign Secretary Sir Geoffrey Howe and Chancellor of the Exchequer Nigel Lawson.

Mitterrand, Lubbers, Delors

OW070011 Tokyo KYODO in English 0007 GMT 7 May 86

[Text] Tokyo, May 7 KYODO -- French, European Community Commission and Dutch leaders who attended the Tokyo summit of seven leading Western nations left for home Wednesday morning. They included French President Francois Mitterrand, Prime Minister Jacques Chirac, and Foreign Minister Jean-Bernard Raimond, and EC Commission President Jacques Delors and Dutch Prime Minister Rudolph Lubbers.

Italy's Craxi

OW070134 Tokyo KYODO in English 0133 GMT 7 May 86

[Text] Tokyo, May 7 KYODO -- Italian Prime Minister Bettino Craxi left Japan for home Wednesday morning winding up a weeklong visit during which he attended the Tokyo summit of seven western industrialized democracies.

Reagan, Staff

OW070329 Tokyo KYODO in English 0327 GMT 7 May 86

[Text] Tokyo, May 7 KYODO — U.S. President Ronald Reagan and his wife Nancy left for home Wednesday after ending a visit to Japan.

Reagan, accompanied by Secretary of State George Shultz and Secretary of the Treasury James Baker, attended the Tokyo summit of seven leading Western countries Sunday through Tuesday.

RADIO REPORTS FURTHER ON 435TH MAC MEETING

SK070332 Pyongyang Domestic Service in Korean 1300 GMT 6 May 86

[Text] On 6 May, the 435th MAC meeting was held in Panmunjom at the proposal of our side. As has already been reported, our side demanded of the enemy side that a MAC meeting be held on 30 April 1986 with regard to the South Korean puppet clique's perpetration of the bestial atrocity of sinking our peaceful fishing boat and killing and injuring fishermen on the open seas in broad daylight. Because of the delaying maneuvers of the enemy, however, the 435th MAC meeting came to be held as long as 6 days later than the date demanded by our side.

At the meeting, our side lodged a strong protest with the enemy side against the South Korean puppet clique's perpetration of the bestial atrocity of sinking the "Trawler No 1390," our peaceful fishing boat, and killing and injuring fishermen by firing guns and rifles at the boat and called it to account for this.

According to the statment of Major General Yi Tae-ho, senior member of our side, on 24 April, the "Trawler No 1390," belonging to the Kosong Fishery Station in Kangwon Province, was returning to Kosong, its home port, along a routine sea route after catching fish on the open seas. At around 1450 hours on that day, the fishing boat was sailing in water at a point latitude 38 degrees, 38 minutes north and longitude 128 degrees, 55 minutes, east longitude. At that time the "Pohang-756," a battle ship of the South Korean puppet Army, approached suddenly from the south and turned near our fishing boat. Synchronized with this, a destroyer and three speedboats assumed a combat posture and maneuvered in the south and the west of the "Pohang 756." While blocking the way ahead of our fishing boat, the battle ship of the South Korean puppet Army fired warning shots at our fishermen continuing to move around it closely for many hours and forcing it to wind itself and head for the south. This notwithstanding our fishing boat continued to sail along its sea route.

At around 1530 hours, the naval warships of the South Korean puppet Army, which were not able to attain their original aim, began a concentrated fire at our fishing boat with rockets, guns, heavy machine guns, machine guns, and automatic rifles on the sea at a point latitude 38 degrees, 38 minutes, 10 seconds north and longitude 128 degrees, 49 minutes, 30 seconds east. The number of rockets and gun and heavy machine gun shells fired by the South Korean puppet naval warships reached scores of rounds and the numbers of bullets from machine guns and automatic rifles were more than thousands of volleys.

Because of the South Korean puppets' bestial gunfire, among the 23 fishermen aboard the boat, 2 were mercilessly killed and 4 were seriously wounded. The "Trawler No 1390," our fishing boat hit by numerous shells and bullets, was heavily destroyed to the extent that it could no longer sail.

When a patrol boat of our people's army, notified of the surprise situation, approached the spot, the warships of the South Korean puppet Army were seized with fear and hurriedly fled away southward.

However, in the end the "Trawler No 1390," our fishing boat which was already tilting, sank in the waters at a point latitude 38 degrees, 39 minutes, 12 seconds north and longitude 128 degrees, 42 minutes, 20 seconds east.

The South Korean puppet clique's act of killing and injuring peaceful fishermen and sinking the fishing boat in broad daylight by mobilizing naval battle ships is an unlawful act as well as a wicked piracy taking no notice of fellow countrymen and even international law and the armistice agreement.

This was not the first time that the enemy committed such a piracy. In August 1983, the enemy also sank the "Pungsan-ho," our fish finding ship, and ruthlessly killed its crewmen by gunfiring and bombing in the high seas in the East Sea by mobilizing destroyers and even armed helicopters.

In the past, whenever South Korean fishermen were in distress in the waters, we used to rescue them in a sacrificing manner and treated them with warm compatriotic love. Even at times when South Korean ships were captured while infiltrating into the waters of our side, we took measures to it that the fishermen got whatever convenience they needed and to return them safely if they were peaceful fishing boats. This notwithstanding, the enemy sank a peaceful fishing boat, which was returning to the home port after completing fishing operations, and killed injured fishermen by shelling the boat in the high seas. This is indeed a barbarous atrocity that can be committed only by a group of the most tyrannical pirated.

Now, our people and the soldiers of the people's army can hardly suppress surging indignation against the heinous piracy committed by the South Korean puppet clique. What is more, we find it impossible to tolerate the enemy which, after sinking our peaceful fishing boat and killing and injuring fishermen, is babbling about our southward invasion while mounting a fictitious propaganda about an engagement with an unidentified ship or about an armed spy ship in a manner of a thief calling others thieves.

The senior member of our side resolutely protested and denounced the South Korean puppet clique's perpetration of the vicious act of sinking our peaceful fishing boat by attacking it and of killing and injuring many fishermen as crude infringement upon the Military Armistice Agreement and international law, as an intolerable military provocation against our side, and as a reckless act of playing with fire designed to aggravate the strained situation in Korea, block the peaceful reunification of Korea, and lead the situation to the brink of war. And, the senior member of our side strongly demanded an apology to our side for the South Korean puppet clique's perpetration of the bestial piracy and a stern punishment of those ringleaders who organized and commanded the incident and the criminals involved in it.

Instead of guaranteeing the implementation of our demands, however, the enemy moved the location of the incident elsewhere and brazenly maneuvered as if it fired because our fishing boat did not respond to its challenge.

The senior member of our side exposed in detail the trud state of the piracy perpetrated by the South Korean puppet clique, showing the enemy side a videotaping of the testimony of the fishermen who directly underwent the bestial armed attach on the spot of the incident. He continued: The grave armed provocative act perpetrated against us by the South Korean puppet clique is a premeditated scheme to aggravate the strained situation in Korea, to further accelerate new war provocative maneuvers, and to cope with political crises facing the clique.

At present, the overall armed forces of South Korean have been reorganized in an offensive form so that they can invade the northern half of the Republic, have been deployed forward near the Military Demarcation Line, and are seeking only an opportunity for aggression. As a result, the strained situation on the Korean peninsula is being further aggravated with each passing day, and a grim [homakhan] situation in which a war may break out at any moment is being created in our country. These maneuvers of the enemy for aggression and war are being strongly denounced by the world and rejected by the South Korean people. These days, the anti-U.S. and anti-dictatorial struggle of the South Korean youths, students, and people of all walks of life and their 10-million signature collection campaign for constitutional revision are driving the wretches into an inextricable predicament. The enemy is trying to find a way out of this by threatening the people while holding a deceptive slogan of the threat of southward invasion and by aggravating North-South confrontation. The brigandish piracy this time precisely proceeded from this political and military purpose of the enemy. This more clearly shows that the enemy is the strangler and betrayer of peace who wantonly tramples underfoot the armistic agreement and the publicly recognized international law and practice for the sake of its dirty purpose.

The senior member of our side continued to say: Because of the brigandish piracy of the South Korean puppet clique, the situation on the Korean peninsula has become extremely acute and the North-South dialogue has been faced again by a grave (?obstacle). The incident did not spread into a grave armed clash between the two sides since we, proceeding from the aspirations for the easing of the strained situation on the Korean peninsula and for peace and peaceful reunification, displayed patience and self-restraint to the end.

The senior member of our side emphatically said that the enemy should not miscalculate our consistent efforts to ease the strained situation on the Korean peninsula as weakness and run wild indiscreetly. He then noted that, if the enemy persists in perpetrating reckless military provocative acts while frantically running amok in new war provocation maneuvers, we will not just look at this, and gravely warned that the enemy will be held totally responsible for all consequences arising therefrom.

KIM YONG-NAM, OTHERS ATTEND MAY DAY MEETING

SK020101 Pyongyang Domestic Service in Korean 0900 GMT 1 May 86

[Excerpts] The friendship meeting of workers in Pyongyang and foreign guests was held today at the Taesongsan public recreation ground and the Mangyongdae playground to celebrate May Day, the International Holiday of workers throughout the world.

Participating in this meeting together with the workers in the city were Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier of the Administration Council, and foreign minister; Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the Pyongyang municipal party committee, and chairman of the Pyongyang Municipal People's Committee; Comrade Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Pyongyang Administrative and Economic Guidance Committee; Hwang Chang-yop, secretary of the party Central Committee; and responsible functionaries from the committees and ministries of the Administration Council, from central agencies, and from workers' organizations.

Kim Pong-chu, chairman of the GFTUK Central Committee, spoke at the friendship meeting held at the Taesongsan public recreation ground. First, greeting the international holiday of the working class, he extended warm greetings and militant solidarity to the working classes and revolutionary people of all countries in the world, who were vigorously struggling to oppose all forms of control and exploitation by the imperialists, to achieve peace, democracy, and national liberation, and to build a new life.

SENIOR UN MAC MEMBER CITED ON VESSEL SINKING

SK061159 Seoul Domestic Service in Korean 1100 GMT 6 May 86

[Text] The 435th MAC meeting was held in Panmunjom at 1100 this morning at the request of the communist side. At the meeting, the senior member of the UN side said: At 1445 on 24 April, the South Korean Navy discovered an unidentified vessel approaching the South Korean coast on the waters 3.5 nautical miles south of the extension line of the Military Demarcation Line located 17 nautical miles off the east coast, and ordered the vessel to stop its voyage. However, disregarding this order, the unidentified vessel tried to escape, even firing at our naval ship. Such being the situation, the South Korean naval ship fired at the vessel and sank it.

The senior member of the UN side also said: Most North Korean armed spy boats have disguised themselves as fishing boats. Therefore, it is natural that the South Korean Navy watched the unidentified vessel approaching the South Korean coast and ordered it to stop its voyage in an effort to check its identify. Accordingly, the liability for the current incident should go to this unidentified vessel which, far from responding to the legal order to stop, committed hostile acts.

FOREIGN MINISTRY HAILS RESULTS OF TOKYO SUMMIT

SK061203 Seoul YONHAP in English 1138 GMT 6 May 86

[Text] Seoul, 6 May (YONHAP) -- The support by leaders of the seven major industrial democracies for South Korea's position in connection with the Korean question will help lessen tension and establish peace on the Korean peninsula, thus contributing to the world peace, Foreign Ministry spokesman Kim Hung-su said here Tuesday.

Kim was commenting on the results of the just-concluded Tokyo economic summit, in which the leaders from seven industrialized countries agreed to help promote dialogue between South and North Korea and to support the Seoul-proposed simultaneous admission into U.N. of the two Koreas.

In the 12th annual summit, the heads of state from Britain, Canada, France, West Germany, Italy, Japan and the United States also pledged to support South Korea's plan to host the Asian Games this year and the Summer Olympics in 1988.

"We welcome that leaders from seven industrialized countries have reaffirmed their support for Seoul's position on the Korean question and for the successful hosting of the 1988 Seoul summer Olympiad," said the Foreign Ministry spokesman.

Pyongyang has been opposed to the Seoul's proposal for South and North Korea to enter the United Nations at the same time. It has also called for the co-hosting of the 1988 Summer Olympics.

UK'S PRIME MINISTER THATCHER VISITS SEOUL 2-4 MAY

2 May Arrival Statement

SOUTH KOREA

SKO21306 Seoul YONHAP in English 1256 GMT 2 May 86

[Text] Seoul, May 2 (YONHAP) -- British Prime Minister Margaret Thatcher arrived in Seoul Friday for a three-day official visit at the invitation of President Chon Tuhwan. Thatcher, the first British head of government to make an official visit to Korea, will have summit talks with Chon Saturday which will be the second such talks between the two in less than a month. Chon visited London April 7-10 on the first leg of his four-nation European tour.

Thatcher said in her arrival statement that the summit talks between her and Chon will allow them to continue the dialogue so happily begun in London. Prime Minister No Sinyong and some Cabinet ministers were on hand at Seoul's Kimpo International Airport to greet the British leader.

"I hope that these two visits, which testify to the good relations between our two countries, will be seen as forming the basis from which we build a growing partnership not only in the political but also in the commercial and economic field," she said. She also said that the "very full and interesting" discussion that she had with Chon last month in London means that she looks forward keenly to seeing as much as possible of "your energetic and forward looking country."

Thatcher is scheduled to hold a press conference after the summit talks, and to meet with No during the day. She will also visit the National Assembly, a monument commemorating the British participation in the Korean war and the truce village of Panmunjom in the demilitarized zone. On Sunday, she is scheduled to make an inspection tour of an industrial complex in the southeastern port city of Pohang before leaving for Tokyo to attend the Tokyo economic summit of seven Western democracies.

Lays Wreath 3 May

SK030359 Seoul YONHAP in English 0347 GMT 3 May 86

[Text] Seoul, May 3 (YONHAP) -- British Prime Minister Margaret Thatcher, the first British Government leader ever to visit Korea, laid a wreath at Korea's National Cemetery on Saturday morning. After her visit to the cemetery, Thatcher, who came here Friday evening for a three-day visit, met with Korean Prime Minister No Sin-yong at the latter's office. They discussed ways to expand bilateral relations.

In a news conference, she attended a luncheon hosted by No in her honor at the prime minister's official residence in Samchong-Dong, Seoul.

In the afternoon, Thatcher is scheduled to tour the truce village of Panmunjom in order to get a firsthand look at the area dividing the two Koreas, as well as a memorial commenceding Britain's participation in the Korean war (1950-53).

Thatcher will be the guest of honor at a dinner hosted by President Chon Tu-hwan this evening.

On Sunday, the British prime minister is scheduled to tour the Pohang Iron and Steel Co. and to lay a wreath at the U.N. memorial cemetery in Pusan before leaving for Tokyo, where she will participate in the economic summit of the seven leading Western industrial nations.

Comments on Chernobyl, Terrorism

SK030904 Seoul YONHAP in English 0842 GMT 3 May 86

[Text] Seoul, May 3 (YONHAP) -- British Prime Minister Margaret Thatcher, who came here Friday on an official visit, said that Britain is "very much aware" of the need to defend South Korea's liberty. "We constantly have to be on guard to defend liberty," she said. "Security has to be considered on a global basis."

In a news conference at the Korea press center here, Thatcher said that Britain supports the simultaneous entry of both Koreas into the United Nations.

Korea and Britain should promote mutual trade and investments in order to strengthen substantial cooperation, she said. The planned visit in September by a South Korean trade mission to Britain will be a good opportunity for the expansion of bilateral trade and investments, she added. To increase economic cooperation with European countries, the establishment by the European Economic Community of an office in Seoul would make sense, the Prime Minister said.

Concerning the recent nuclear mishap in the Soviet Union, Thatcher said that while the United States was immediately open about the space shuttle explosion, it is difficult to verify the facts about the Chernobyl accident. "I think the way the Soviets handled the nuclear accident and information about it shows vividly the difference between the closed communist society and the open Western society," she said.

Thatcher continued: "I think also it has demonstrated to the rest of world that the communist system and its closed society is still the same as it was. I think people are perhaps becoming a little bit bewitched with the idea that it may have changed under Mr. Gorbachev, who is very good with Western public opinion, and I think now they know that the system has not changed at all."

The Chernobyl accident has had a great effect on East-West disarmament talks, which have become bogged down due to verification problems, she said. "If it is difficult to verify this kind of a peaceful accident," the British leader said, "you must be even more careful on verification procedures for arms control."

She said that terrorism is a form of "warfare without warning." The superpowers should use force only reluctantly, she said, and at times the use of force is necessary -- as when it is used to combat terrorism.

Thatcher praised Korea's "tremendous" economic achievements. She said that a British company, David McKee of Sheffield, has concluded a 3.5 milion-pound contract with the Pohang Iron and Steel Mill for the modernization of its hot-strip plant. A second company, Marconi, is expected to receive a 30 million-pound naval order for a new command-and-control system.

Thatcher said that she and President Chon Tu-hwan discussed the constitutional question of Korea and the "natural desire of President Chon and most of the people of Korea to come to full democratic values."

Supports North-South Dialogue

SKO31124 Seoul YONHAP in English 1107 GMT 3 May 86

[Text] Seoul, May 3 (YONHAP) -- British Prime Minister Margaret Thatcher said that "we maintain that the future of the Korean peninsula is something for Koreans to decide and we hope that your (South Korea's) contacts with the North will before long provide a means by which decisions can be taken." "We support your efforts to open up some sort of dialogue across the line, and hope that they will not always meet with intransigence which we have seen so far," Mrs. Thatcher said.

Thatcher made the remarks at a banquet President Chon Tu-hwan threw in honor of the British leader. "Both our countries live by trade, and both must therefore resist and fight the temptations of protectionism...we should encourage a marriage between British technology and Korean manufacturing skills to produce for the markets of the world," she said.

The prime minister said, "The prosperity which you have already achieved, that which you hope to attain over the next few years, these hopes of cooperation between our two countries, all depend on the maintenance of peace and security."

Thatcher, accompanied by a 24-member entourage, arrived in Seoul Friday night for a three-day official visit.

Visits Panmunjom 4 May

SKO40200 Seoul THE KOREA HERALD in English 4 May 86 pp 1, 2

[Text] British Prime Minister Margaret Thatcher yesterday expressed the hope that her visit to Korea will help develop the spirit mutual cooperation in bringing about the two nation's common ideals. In a speech she delivered at a luncheon hosted by Prime Minister No Sin-yong in her honor, Thatcher said she expects the friendly relations between Seoul and London to bear fruit in all fields.

Through her talks with President Chon Tu-hwan in London and Seoul, Thatcher said she was convinced that the positions of Britain and Korea are "very close." Thatcher pointed out that the modern relationship between Korea and Britain is based on the alliance formed during the Korean War. Because the struggle between the capitalist and Communist forces has not yet ended, she said, Korea and Britain should not relax their vigilance.

No said in his speech that 1986 marks the opening of a new chapter in the history of diplomatic relations between Seoul and London, due to President Chon's visit to Britain. He said that the Korean government is trying to use the exchange of summit visits between Korea and Britain as an opportunity to promote mutual understanding and friendship through the expectation of closer bilateral cooperation.

Earlier in the day, the British prime minister laid a wreath at the National Cemetery. In the afternoon, Thatcher toured the truce village of Panmunjom in order to get a firsthand look at the area dividing the two Koreas, as well as a memorial commemorating Britain's participation in the Korean War (1950-1953).

Today, the British prime minister is scheduled to tour the Pohang Iron and Steel Co. and to lay a wreath at the U.N. Memorial Cemetery in Pusan before leaving for Tokyo, where she will participate in the economic summit fo the seven leading Western industrial nations.

Departs For Tokyo Summit 4 May

SKO40850 Seoul YONHAP in English 0839 GMT 4 May 86

[Text] Seoul, May 4 (YONHAP) -- Winding up three-day official visit to Korea, British Prime Minister Margaret Thatcher left here Sunday afternoon for Tokyo to attend the summit meeting of the seven industrialized nations, scheduled for May 4-6.

In the morning, Thatcher attended a farewell ceremony held at the Kimpo International Airport. On hand at the ceremony were Korean Prime Minister No Sin-yong, Foreign Minister Yi Won-kyong, and Trade and Industry Minister Kum Chin-ho.

Thatcher, accompanied by a 24-member entourage, also inspected the Pohang Iron and Steel Co. and Pohang Engineering College in the southeastern provincial city of Pohang.

The prime minister laid wreaths at the U.N. memorial cemetery in Pusan, 205 miles south of Seoul.

Thatcher was the first British head of government to make an official visit to Korea since Seoul and London established diplomatic relations more than 100 years ago. During her stay here, Thatcher held summit talks with Korean President Chon Tu-hwan to discuss international issues, recent developments on the Korean peninsula and ways to promote diplomatic cooperation to deter recurrence of war on the divided peninsula. They exchanged views on how to strengthen substantial cooperation and to expand technological exchange, as well as ways to reduce recent protectionism.

OPPOSITION TO URGE HALT TO U.S. SUPPORT FOR CHON

HK070743 Hong Kong AFP in English 0737 GMT 7 May 86

[Text] Seoul, May 7 (AFP) -- South Korea's top opposition leaders Wednesday said they would tell U.S. Secretary of State George Shultz the United States should stop supporting the "dictatorial" Chon regime. Mr. Shultz was to brief South Korean President Chon Tu-hwan during his stay Wednesday and Thursday on the Tokyo summit of seven industrialized nations which ended Tuesday. He also was to meet opposition leaders.

Kim Yong-sam, top advisor to the New Korea Democratic Party (NKDP), told reporters that he and NKDP chairman Yi Min-u and Kim Tae-chung, chairman of an affiliate dissident group Council for Promotion of Democracy (CPD), had met to discuss political developments in the country. He said they intended to achieve South Korea's democratization "by ourselves without outside help."

They decided to tell Mr. Shultz the United States should cease its continuous support of the "dictatorial" regime of President Chon.

Reports have said Mr. Shultz planned to counsel for early political reforms.

The three concluded that the opposition rally scheduled for last Saturday in Inchon was aborted because of a "premeditated obstruction plan" by government authorities.

The government has said the opposition was unable to hold the rally because thousands of radical students were advocating a violent leftwing revolution to topple the government.

Mr. Kim said the three also had begun doubting the sincerity of Mr. Chon's statement last week that he would be ready for a constitutional change during his tenure of office if bipartisan agreement could be reached at parliament.

The opposition is campaigning for an amendment to allow direct presidential elections. The president currently is put in office by an electoral college.

They also decided to maintain close ties with the nations's non-political dissident organization led by the Rev. Moon Ik-hwan. Rev. Moon's organization, the Federation of Peoples' Movement for Democracy and Unification, last week withdrew support for the NKDP and CDP for disavowing themselves from the anti-U.S. movement.

KIM YONG-SAM, KIM TAE-CHUNG ON CHON'S SINCERITY

SK030050 Seoul THE KOREA TIMES in English 3 May 86 p 4

[From the "Press Pocket" column]

[Text] Opposition leaders Kim Tae-chung and Kim Yong-sam have different opionions on how to return the ball thrown into the court of the NDP by President Chon Tu-hwan.

Kim Tae-chung again maintained yesterday that the NDP should first sound out the true intention of the ruling DJP concerning the form of government to be adopted in the new charter. If direct presidential election is not guaranteed, there is no need to set up a special House committee to study constitutional revision, he asserted.

President Chon Wednesday manifested that he will follow any agreement by the House even if it recommends constitutional revision before 1988.

Meanwhile, Kim Yong-sam said that if the presidential overture proves sincere in accepting an amendment within his tenure, the debate on the Constitution should be brought into the House.

NDP president Yi Min-u also sided with Kim Yong-sam's position. NDP president Yi said yesterday that his party shelved a decision on whether or not to join the special House committee until after he meets with President Chon exclusively to ascertain his real intention.

YI MIN-U DISCUSSES INCHON RALLY, NKDP'S PLANS

SK060106 Seoul THE KOREA TIMES in English 6 May 86 p 4

[From the "Press Pocket" column]

[Text] New Korea Democratic party president Yi Min-u appeared to be in lower spirit than ever before when he met with reporters at his NDP office yesterday. A deep shadow of shock and anxiety was lingering in his face in the aftermath of the aborted rally in Inchon on Saturday, which was to inaugurate a local chapter for the signature-gathering campaign for constitutional revision.

It was not the failure of the rally alone that made the 71-year-old opposition leader shocked. What dismayed him more seriously were the radical claims by young people who lashed out at politicians both in the ruling and opposition camps.

However, he was resolute about continuing the NDP's future rallies in provincial cities as scheduled. He said, "Our party will go ahead with the schedules. There should be no stepping back in our efforts to promote national democratization."

He revealed that a convention will be held in Inchon "After the lapse of time," He said it is most important now how the party will successfully hold the projected rallies in Masan. (May 10) and in Chonju (May 24)." [paragraph as published]

"The firing of tear gas bombs excited the crowd." Yi asserted, attributing the violence by the young people to the police's unnecessary actions based on their fear of the increasing crowd.

Questioned about the harsh slogans against the NDP, Yi said he believed that those radical students are limited to a small number. "I think it doesn't matter as long as most of youths share the view with the NDP." He went on, "I have devoted myself to the achievement of democratization. I will exert more effort for it. That's the only thing I am thinking now." "Let's admit the fact that there were some impure elements among them. But they will lose supporting ground if democratization is realized," he stressed.

Yi disapproved of those who regard the meeting between President Chon Tu-hwan and political party leaders as giving rise to a mood of "grand compromise." "There is nothing produced to break the political deadlock." He went on, "The parliamentary politics is to pursue compromise through dialogue. If the youngsters criticize such a compromise there is no other choice but to wait until they grow up and understand it."

KNP OUTLINES 4-POINT PLAN TO SOLVE CAMPUS UNREST

SK060849 Seoul YONHAP in English 0831 GMT 6 May 86

[Text] Seoul, May 6 (YONHAP) -- South Korea's minor opposition Korea National Party (KNP) said Tuesday that the violent street demonstration that erupted last Saturday in Inchon was a "bitter disappointment" and "a source of serious unrest" for all Koreans who aspire after democratic development and social stability.

In a four-point statement on how to solve the problem of campus unrest, the KNP called on the ruling camp and the major opposition New Korea Democratic Party (NKDP) to reflect upon themselves. The statement said that the government should be held responsible for the flood of leftist slogans chanted by groups that the government has called "procommunist."

The KNP urged the NKDP to calmly reflect on its struggle to bring about democratization outside the National Assembly, which has been used illicitly for staging violent acts, and to widely reach a political decision in order to prevent the recurrence of tragic incidents. It recommended that the NKDP use the special Assembly session as a way to resolve the current crisis through political dialogue.

To prepare for constitutional revison before President Chon Tu-hwan's seven-year term expires in 1988, the political parties should set up a special National Assembly committee on the constitution as soon as possible and should engage in inter-party dialogue, the KNP added.

KAYSONE PHOMVIHAN ADDRESSES MAY DAY RALLY

centenary of May Day -- live]

BK021521 Vientiane Domestic Service in Lao 2330 GMT 30 Apr 86

[Speech by Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, at the grand rally in Vientiane to mark the

LAOS

[Text] Respected the presidium of the rally; Respected foreign guests; Beloved Lao workers and laboring people:

Today, in a joyous and solemn atmosphere, our workers, laboring people, and people of all tribes, who are the masters of their own country, are very proud to celebrate, together with the workers and laboring people in the fraternal socialist countries and the other countries all over the world, the centenary of May Day -- the day of great solidarity for the struggle, the display of strength, and the great event of the victories of the workers and laboring people throughout the world. [applause]

One hundred years ago, in response to the call of Marx and Engels, which said the proletariat in all countries must unite, workers in many countries rose up to fight against the oppression and exploitation by the capitalists. The most prominent incident was the strike and demonstration staged by workers in Chicago, a large industrialized city in the United States, on 1 May 1886 to demand that the capitalists reduce the number of working hours to 8 hours per day. The strike was brutally suppressed by the ruling authorities. Several hundred workers were killed and wounded, and many trade union leaders arrested and executed. But the struggle subsequently forced the capitalists to accept the demand of the workers. Since then, 1 May has become a sacred day, mobilizing the fighting spirit of the workers and laboring people throughout the world to struggle for the right to life, democracy, and social justice.

In 1917, under the talented and capable leadership of Lenin, the workers and laboring people in Russia rose up to successfully carry out the October Revolution, thus establishing the first socialist state in the world. That miraculous victory opened a new era in the history of mankind -- the era in which the workers have become the central class of society and the era of transformation of capitalism into communism throughout the world.

With the illumination and great encouragement of the Great October Socialist Revolution, the struggle movements of workers in many countries entered a new period with new quality. The communist parties -- the vanguard units of the workers -- were established to shoulder their historic tasks in leading the struggle to do away with the old society and to build a new one. By 1945, thanks to the close unity and heroic struggle filled with numerous esteemed sacrifices, the workers and laboring people in the Soviet Union and those in many countries scored an enormous victory of historic significance by defeating Hitlerite fascism and Japanese militarism in World War II. As a result, the workers in many countries became the ruling class to take their respective countries along the socialist path, thus transforming socialism into the world's sociopolitical system -- the decisive factor in the direction of development of the society of mankind in the present era. In the meantime, the struggle movements of the workers and laboring people in many countries also gained a new step of development. The national liberation movements also became very strong, thus resulting in more than 100 countries attaining national independence at various degrees, dismantling colonialism, smashing neocolonialism into pieces, and driving capitalism and imperialism into an increasingly serious and all-round crisis.

We are very proud to see that after the workers and laboring people are able to be the masters of their own destiny in one country after another beginning with the Soviet Union, the socialist system has been eventually transformed into the world's social system. Even though only 70 years have elapsed, it has been clearly proved that the workers and laboring people have displayed their leading role and great capabilities in defending and building the new society -- a society free from oppression and exploitation among human beings, having genuine equality and justice, and in which the people's material and cultural living conditions have been incessantly improved. At the same time, there is a clear indication of fine development of the traditions of mutual solidarity and assistance among the workers of various countries, which have become the pure proletarian internationalism. At present, the socialist system with the great Soviet Union as the pillar has grown stronger and powerful in all respects, thus becoming the rampart of peace and reliable prop of all revolutionary and progressive forces in the world. [applause]

Meanwhile, the working class and laboring people in imperialist and capitalist countries have daily encountered difficulties in their daily life and are not enjoying justice in their societies. They have always been threatened by unemployment and suppressed by those in power. Instead of making use of the fruits of their labor for economic and social development and for improving the living conditions of the laboring people, the ruling capitalists have taken away the fruits and used them mainly for stepping up the arms race and conducting a bellicose policy, thus serving the dark intentions of world domination and interests of monopoly capitalist groups.

For this reason, the struggle movements of the working class and laboring people for the right to live, democracy, and peace have reached the apex -- an event which has never taken place before. It can be said that after going through trials, training, and forging in the class struggle over the past 100 years starting on 1 May 1886, the workers' movement has continuously grown and developed, from quantity to quality, and has attained one great victory after another, thereby deeply changing the face of the world. At present, hundreds of millions of workers have united in trade unions, communist parties, which are the vanguard parties of the working class, have been established in more than 90 countries with more than 80 million members. No matter what cunning and cruel tricks the imperialists and other reactionary forces may resort to, they cannot check the inevitable trend of development of the present era. [applause]

On this auspicious occasion, on behalf of the Lao working class and laboring people, I would like to extend best wishes and cordial, class regards to the fraternal Soviet working class and laboring people, who are energetically and enthusiastically competing to carry out various historic resolutions adopted by the 27th CPSU Congress to score new, more glorious achievements in building socialism in a planned and all-round manner on the road toward a communist society and in the struggle for world peace. [applause]

I extend best wishes and cordial, class regards to the fraternal Vietnamese working class and laboring people, who are striving to build and defend their socialist fatherland and competing to score achievements to welcome the Sixth CPV Congress. [applause]

I extend best wishes and cordial, class regards to the fraternal Cambodian working class and laboring people, who are energetically defending the country, countering enemy's sabotage activities, and building a new, bright future. [applause]

I extend best wishes and cordial, class regards to the working class and laboring people of various fraternal socialist countries, who are striving to develop their economy and society for the prosperity and strength of the country and the people's plentiful and happy life. [applause]

I extend best wishes and profound, class regards to the working class and laboring people in various Asian, African, and Latin American countries standing on the forefront of struggle against the imperialists and reactionaries and for winning and safeguarding their national independence, for the right to master natural resources, and for establishing a new, just, and correct international economic order. [applause]

I extend best wishes and profound, class solidarity to the working class and laboring people of various developed capitalist countries, who are struggling for the right to democratic life and for peace and social progress. [applause]

We are convinced that once the communists and proletarians of all countries and various oppressed nations unite, then the just cause of the working class and laboring people in the world for peace, national independence, democracy, and social progress will inevitably attain new, greater victory. [applause]

Comrades and friends, the working class of our country emerged during the early period of the 20th Century while our country was under the French colonialists' occupation yoke. Shortly after its birth, our working class waged struggle in many forms against heavy oppression and exploitation and brutal suppression by the colonialists. The most outstanding events were the struggle movements of the workers at the Phontieu Tin mine and at the Vientiane electricity factory and the struggle movements of the workers building highway no 9 and of the marine transport workers of Champassak, Vientiane, and Luang Prabang and so forth.

Following the illumination of Marxism-Leninism introduced and disseminated in the Indochinese peninsula by Comrade Ho Chi Minh, an excellent fighter of the international communist and workers movement, and following the establishment of the Indochinese Communist Party, from which our party originated, the struggle movement of our Lao working class and laboring people experienced a new turn, advanced to achieve new quality, possessed national and class consciousness, and had an organization and clear political objectives. They struggled not only for economic interests and democratic freedoms but also for the liberation of the country and for leading it to advance along the path of socialism. [applause]

Through a long, arduous struggle filled with heroism under the leadership of the party, with the support and assistance of the working class and laboring people of Vietnam, Cambodia, the Soviet Union, other fraternal socialist countries, and of the peace and justice-loving people throughout the world, the Lao working class and people of all nationalities triumphantly defeated two big imperialists — the French colonialists and the U.S. imperialists and their henchmen, thus fulfilling the national-democratic revolution, establishing the LPDR on 2 December 1975, and opening up a new era — an era of independence, freedom, and socialism.

Over the past 10 years the working class and laboring people of various ethnic minorities have promoted and developed their tradition of heroism together with the love for the new, socialist system, heightened the spirit of revolutionary offensive, resolutely surmounted many obstacles and difficulties, and recorded great achievements in many spheres in the cause of defending the country and building socialism.

As we already know, our country directly advanced toward socialism without going through the period of development of capitalism. At this initial phase of the transitional period, we have advanced from the lowest level -- underdeveloped economy, natural, small production, and few material and technical bases.

At the same time, our country is constantly faced with enemy sabotage activities in many spheres. Nevertheless, we are proud to see that our working class and laboring people throughout the country are bringing into full play their leading role and serving as a force deciding the restoration and development of the national economy. They have built a number of material and technical bases for socialist construction in our country. For example, the electricity branch, machinery branch, mining exploration, construction material industry, and forest product processing industry have been restored, widened, and rebuilt. Many enterprises have been put into operation.

In the communications and transportation sphere, our workers have concentrated on restoring old roads and building a total of 3,000 kilometers of roads. They have repaired and built about 700 bridges, improved and built many ports and ferry boat landings, and further widened land, water, and air communication networks.

Irrigation projects have been built in many localities, thus serving our two-season production. Plant and animal research stations and centers have been expanded in many areas, while more schools, hospitals, museums, clubs, radio broadcasting stations, satellite receiving and transmitting stations, and television stations have been built. Offices, organizations, and houses have been built in all localities; the villages, provincial townships, and districts destroyed during the war have been restored.

Parallel with the progress of the economic and social development, the ranks of our Lao workers have grown and developed in all respects; the level of their political consciousness has been continuously raised; and the level of their cultural, technical, and specialized knowledge has been further heightened. The number of skilled workers has increased with each passing day. These workers have displayed many initiatives in production. They have made new steps in management, thus raising the efficiency and quality of production. Our workers have extensively rallied in trade union organizations at all levels.

The successes scored by our Lao working class and laboring people in the past 10 years are great and comprehensive. Following the successes, the shape of our Lao society has been progressively changed and has become brighter with each passing day. Our Lao people's cause of defending and building the country has been pushed forward firmly. [applause] The said successes have worthily contributed to the enhancement of the strength of the socialist communist and of the movements of struggle to safeguard peace in this region and the world.

On the occasion of the great festival -- the 100th anniversary of 1 May -- on behalf of the party Central Committee and the Council of Ministers, I would like to whole-heartedly praise and hail the Lao working class and laboring people throughout the country for closely uniting, promoting, and expanding their fine revolutionary traditions, and using their intelligence, abilities, and energies in successfully fulfilling all resolutions and working plans of the party and state. [applause]

Comrades and friends, we are celebrating the centenary of the International Labor Day in the International Year of Peace. But, at present, world peace and security of various nations have been seriously threatened by the imperialists as a result of their bellicose policy and military adventures. The Reagan administration is striving to step up the nuclear arms race to another level while militarizing space by paying no heed to the opposition and denunciation of peace-loving mankind in the world or to the creative, peace initiatives of the Soviet Union.

It has continuously carried out the provocations, interventions, and aggression in various parts of the world in opposition to various independent and sovereign countries and with a view to suppressing national liberation movements. Recently, the United States openly and arrogantly mobilized its air force to attack Libya, thereby killing hundreds of Libyan civilians. It has also stepped up opposing the Republic of Nicaragua. Its action against Libya and opposition to Nicaragua have been solemnly condemned by world public opinion. The United States has striven to turn Asia and the Pacific into a region of political and military confrontations with the hope of marching toward achieving the so-called Pacific Community, thus seriously threatening the peace and security of the nations in the region.

In Southeast Asia, the big-nation expansionists and hegemonists in collusion with the imperialists and other reactionaries are implementing a hostile policy against the three Indochinese countries. They have continued to support and assist the genocidal Pol Pot clique and other Cambodian reactionaries to oppose the Cambodian people's national reconstruction efforts and have opposed the trend toward meetings and dialogues between two groups of countries -- Indochina and ASEAN -- thus rendering the situation in this region unstable, complex, and tense. In light of this dangerous situation, the entire Lao working class and laboring peoples reaffirm their determination to strengthen the solidarity with the working classes and laboring peoples the fraternal socialist countries and other countries in the world as well as with all peace- and justice-loving forces, and resolutely struggle against an arms race of the U.S. imperialists in order to check disasters of a destructive nuclear war to safeguard world peace and security as well as the labor movements in national building in peace and friendship with other countries.

The Lao working class and laboring people wholeheartedly support and hail the initiatives and creative and reasonable proposals put forth in a high spirit of responsibility by the Soviet Union and various fraternal socialist countries, in particular the overall plan aimed at eliminating completely nuclear and chemical weapons by the year 2000 as advanced by Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, on 15 January 1986, various peace initiative and proposals as stipulated in the political report presented at the 27th CPSU Congress, and the Soviet Union's statement dated 23 April 1986 on the turning of Asia and the Pacific into a region of lasting peace, security, friendship, and cooperation. [applause] We once again affirm the correct stand and good intentions on the three Indochinese countries regarding the building of Southeast Asia into a region of peace, stability, friendship, and cooperation as mentioned in the communique of the 12th conference of the foreign ministers of Cambodia, Laos, and Vietnam. [applause] We are convinced that with the strength of solidarity in struggle of the working class and peace-loving people throughout the world with the socialist community as the core, it is certain that world peace and the security of various nations will be securely safeguarded.

Comrades and friends, over the past 10 years, our Lao working class and laboring people have scored great achievements in many fields. But, we must admit we have many weak points, shortcomings, and difficulties. To promote and expand roles of the working class, in the immediate future, we must concentrate on the following tasks:

1. Increase the education and training of workers, state employees, and laboring people to help them further understand ever more profoundly the traditions of revolutionary struggle of our working class and people, the leading roles and historic cause of the working class, the domestic and foreign policies of our party and state, and the issue on friends or foes. On this basis, their spirit of cherishing the country and the new system, spirit of revolutionary enthusiasm, and vigilance must be enhanced to translate into reality the two strategic tasks of our country's revolution in the new stage to effectively contribute to fulfilling their international obligations.

- 2. Widely and continuously encourage the socialist emulation campaigns to vigorously step up production in an ever more effective manner; strictly practice thrifts; strive to study to increasingly raise the level of understanding in culture, specialized and vocational subjects; promote initiative ideas in improving techniques; heighten sense toward implementation of regulations and discipline; and positively take part in implementing new economic management mechanisms with a view to fulfilling the targets as stipulated in the economic and social development plan so as to daily improve the living conditions of our people.
- 3. Strive to build and strengthen the contingent of workers both in terms of quanity and quality so that they can successfully fulfill their roles and responsibility as a leading force and can serve as the basic force to determine victory in carrying out the cause of building socialism in our country; and positively consolidate and build trade union organizations at all levels to become firmly strong in all respects so that they can effectively implement their three responsible tasks and roles.

On the glorious occasion of the celebration of the great festival of laboring people throughout the world, the party Central Committee and the government call on the workers, state employees, and laboring people of various tribes throughout the country to closely strengthen the internal solidarity, always heighten vigilance, further endeavor to surge forward, promote and expand the spirit of collective mastery and the spirit of self-reliance and building own strength, strive to carry out emulation campaigns enthusiastically in all domains of work in order to score new, ever greater achievements to welcome the fourth party congress, to successfully fulfill the targets as stipulated in the economic and social development plan for 1986 -- the lst year of the implementation of the second 5-year state plan, and push our cause of national defense and socialist construction to firmly march forward in new steps. [applause]

We are convinced that under the correct and clear-sighted leadership of the LPRP, the working class and laboring people of various tribes throughout the country -- who have passed through tests and trials and who have grown up and been strengthened in the decades of revolutionary struggle -- will undoubtedly accomplish their noble and glorious cause. [applause]

Long live the 1 May spirit! [applause]

Long live the spirit of international solidarity of the working class and laboring people throughout the world! [applause]

Long live world peace! [applause]

Long live invincible Marxism-Leninism! [applause]

Long live the LPDR! [applause]

Long live the LPRP -- organizer and leader of all victories of the Lao revolution!

[applause]
Thank you. [applause]

FRG'S KOHL GIVES STATEMENT AT NEWS CONFERENCE

BK051503 Bangkok Domestic Service in English 0000 GMT 3 May 86

["Bangkok AM Special Report" feature: Statement by visiting FRG Chancellor Helmut Kohl at 2 May news conference at the Oriental Hotel -- recorded; Kohl remarks in German fading into English translation]

[Text] [Words indistinct] today gives me an opportunity to inform you about the purposes and the results of the official visit which I am paying to Thailand from the 30th of April until tomorrow. I gladly accepted the invitation extended to me by Prime Minister Prem, and this first visit by a German Federal Chancellor to Thailand underlines the great importance we attach to German-Thai relations, relations which have existed for more than 120 years and which are very friendly indeed. At the same time the visit underlines the political weight Thailand has for us as an important country of the Asian-Pacific region and as one of the leading members of the regional organization, ASEAN.

The traditional German-Thai friendship and the mutual interest we have in one another have become manifest in a close network of cooperation in the political, economic, development, scientific, technical, and cultural fields. Prime Minister Prem and I agreed further to develop and to deepen this cooperation wherever possible. A good many fundamental convictions and objectives which we share provide a good basis for this objective. During my visit I had the honor of being received by His Majesty King Pyumiphon in audience. I also had a detailed exchange of views with Prime Minister Prem. I had last met with him in April 1984 in (Lindau) and in October 1985 in Bonn. These three contacts within a relatively short period of time provided the basis for a very friendly and (?trustful) conversation. Prime Minister Prem and some of his closest associates informed my and the members of my delegation about essential aspects of Thai policy in the fields of foreign affairs, security, and economic matters. We furthermore had a broad exchange of views on international issues. I also meet with the president of the Thai Senate and National Assembly.

In parallel to my program Federal Minister Warnke had talks with the Thai minister of finance, Mr Sommai, and signed with him the agreement on German-Thai financial cooperation for 1986. Minister Warnke also discussed questions relating to the promotion of bilateral economic and trade relations with the executive committee of the German-Thai Chamber of Commerce. The state secretary of the Ministry of Economics, Mr Servietsen, had talks with high-ranking representatives of the Thai ministries for Commerce, Industry, and Communications. A number of leading representatives of German business and industry who are accompanying me on this visit and on this trip had an opportunity of participating in talks with representatives of the Thai Government. They also will take part in an exchange of views on German-Thai economic relations to which I have invited high ranking representatives of Thai business and industry, and this meeting is going to take place after this press conference.

Let me also point out that on the basis of certain representations and complaints which were made and which we heard in the Federal Republic of Germany, a number of issues were discussed very frankly and very candidly, and I agree with the prime minister -- as it is possible and should be possible among friends -- to look into these matters and to appoint experts who, by the end of this year in December 1986, should present an opinion and ways and means of how these problems and barriers can be overcome and removed. The themes concerned are particularly patent law, the question and issue of trademarks, and the issue of too much bureaucracy, and these experts are supposed to discuss where such obstacles exist and to make proposals as to how they could be eliminated.

Today our country is the most important European trade partner of Thailand and both sides consider the chances for a further expansion of trade to be good. Both Thai and German business and industry are showing a growing interest in various forms of cooperation between enterprises. The Thai side brought their wish for more German direct investment to my attention. First, it is very much in our interest and as far as this subject is concerned, both sides will probably have to take steps to increase the awareness of psychological conditions, of mutual knowledge, and of the general positions for that investment.

As far as development policy is concerned, the Thai government very warmly welcomed our successful cooperation over the last 25 years. Our bilateral assistance to Thailand during this period amounted to an overall figure of nearly 1,200 million DM, this in the way of bilateral public aid made available to this country and I once again gave the assurance that we wish intensively to continue this cooperation. Both sides agreed that our cultural exchanges with Thailand as a country representing one of the great civilization of Asia are very positive. I was, therefore, particularly pleased to be able to be present yesterday at the ceremony for the inauguration of the construction work of the Goethe Institute in Bangkok.

Prime Minister Prem informed me extensively about the efforts to assure security in the region which Thailand is undertaking, particularly within ASEAN. I have the assurance that we, also within the European framework, support ASEAN's demands for equitable solutions concerning the issues of Afghanistan and Kampuchea. We demand, like ASEAN, the restoration of the national independence of both nations. I welcome the recent 8-point plan as a point of departure for a peaceful solution of the Kampuchean problem since, as we believe, it is trying to do justice to the interests of all parties concerned.

Thailand continues to bear the main burden of the influx of refugees from Indochina and I assured the Thai side that the government of the Federal Republic of Germany will also in future participate in aid programs for the people concerned. For us after having gone through the (?historic) experience of this century, this is humanitarian duty. In our conversations, we could again and again note the very positive growth of the cooperation between the European Community and ASEAN. As you know, the Federal Republic of Germany has always been the champion for such close cooperation between the two groupings. The success achieved shows that we were right and this cooperation has today become a model for the partnership between regional organizations of industrialized countries and countries of the Third World. And in my conversations, particularly in my talks with the prime minister, I appreciate the positive role played by Thailand today as a member of the Security Council of the United Nations. You know that tomorrow I am going to leave for Tokyo to attend the economic summit of the seven Western industrialized countries and so it was necessary to also discuss this forthcoming conference, because of a number of questions which will be discussed there. As you know ASEAN has communicated a memorandum to the host government, the Japanese Government mentioning a number of these problems and since we have great sympathy for some of these problems, it was natural that we should have discussed these problems here.

In conclusion, I would like to take this opportunity of expressing here also my great appreciation and my gratitude for the friendly spirit of the way which we were received here, for the hospitality that has been extended to us, and for the very kind character of the meeting I had with representatives of the most different groups of this magnificent country. Thank you very much.

AIR FORCE DENIES PLAN TO PURCHASE MORE F-16'S

BK060207 Bangkok THE NATION in English 6 May 86 p 2

[Text] Air Force Commander-in-Chief ACM [Air Chief Marshal] Praphan Thupatemi denied yesterday that the air force plans to purchase eight more sophisticated F-16 jets from the United States. The air force, he said, had not made any decision over the procurement of new planes under the air force development plan for 1989-1994.

"My answer applies to the reports that the air force will also buy A-7D (Corsair II) strike aircraft or C-130 aircraft. We still have no plan at all for that period of development because the government, as you know, is faced with financial difficulties and the air force has been receiving very limited budget," he said. He said that if there was any reference to new types of aircraft, then it was still "ideas in the air."

FINANCES 'NO STUMBLING BLOCK' TO STOCKPILE PLAN

BK060219 Bangkok THE NATION in Whylish 6 May 86 p 2

[Text] A senior military official said yesterday that financial problem is now no longer a major stumbling block to the realization of the project to set up a war reserve stockpile in Thailand. Armed Forces Chief-of-Staff Gen Banchop Bunnak told THE NATION that the working group of the Supreme Command was working out the details of the project. It will take considerably long time to finalize the details, though, according to Gen Banchop. "We have been making progress continually," he said. He said that financial problem is now no longer major problem because if need be, the government would provide sufficient financial support for the project.

Prime Minister Prem Tinsulanon had earlier told U.S. Secretary of Defence Caspar Weinberger that Thailand was beset with financial difficulties and was shouldering heavy security burden. He was apparently asking the American leader to review the U.S. proposal that the two sides equally share the financial burden in connection with the establishment of such a stockpile here. The expenditure has been estimated at about U.S. \$20 million annually.

Supreme Commander Gen Athit Kamlang-ek had earlier said that he was pessimistic over the prospect of the project taking off at all due to the financial difficulties.

ATHIT ORDERS NEUTRALITY FOR ARMY RADIO STATIONS

BK060155 Bangkok BANGKOK POST in English 6 May 86 p 1

[Text] Army Commander-in-Chief General Athit Kamlang-ek has ordered all Army-run radio stations to remain neutral and to refrain from critcising any political parties before and during the general elections, according to an informed source.

A meeting of radio station managers is scheduled today to inform them of the new directive.

CORRECTION TO 35 CLASHES ON CAMBODIAN BORDER REPORTED

The following correction pertains to the item headlined "Officer Reports 35 Clashes on Cambodian Border," published in the 5 May Asia & Pacific DAILY REPORT, page J 4:

The sourceline should read: BKO50758 Bangkok THE NATION in English 5 May 86 p 2 (inserting missing sourceline)

HANOI ASSAILS U.S. STRATEGY IN ASIA-PACIFIC

BK051330 Hanoi Domestic Service in Vietnamese 0015 GMT 3 May 86

[Station editor Kien Nam's commentary: "The Asia-Pacific Strategy, the Second U.S. Pincer Against the Soviet Union and Other Socialist Countries"]

[Text] Since Reagan entered the White House, the Asia-Pacific strategy has been accelerated quite vigorously. Reagan often said: Rebuilding U.S. military strength throughout the world is the most important objective.

To U.S. imperialists' eyes what does the Asia-Pacific area look like? First, economically, the Asia-Pacific region is the largest area in the world, with 220 million square kilometer, a huge depot of mostly untapped natural resources, a source of dirt cheap labor, and a lucrative market where they can rake in huge profits. Second, militarily, the region allows control of many major strategic sea lines of communication and is the springboard from which the U.S. Rapid Deployment Force can advance into the Indian Ocean and the Middle East. Third, politically, this is where the forces of revolution and peace have been developing very strongly and where the United States waged the three biggest, longest, and bloodiest limited wars, trying to suppress the revolutionary movement. However, it was also the place where the United States suffered its biggest defeat, especially in its war of aggression against Vietnam. Now, it must reconsolidate its position.

The U.S. Asia-pacific strategy has three main objectives: First, to open a second battlefront and to establish a NATO-like military bloc in Asia. This combined with the Western Europe battlefront and the Western NATO bloc forms a pincer strategy to besiege the Soviet Union and other countries in the socialist community. Second, to cope with the regional revolutionary movements, especially those of the three Indochinese countries. Third, to maintain and impose U.S. neocolonialist domination on the regional countries, and to combine the raking in of huge natural resources and profits with the establishment of regional military bases and springboards in order to gain military superiority.

In the Asia-Pacific area, the United States has built 300 military bases, including several major ones such as Guam, Okinawa, Subic, Clark, South Korea, and so on, with 474,000 U.S. soldiers, 3 fleets — the 3d, 5th, and 7th — of the total of 5 U.S. fleets, and thousands of fighter aircraft. It has also established nuclear weapon depts in South Korea, Japan, and the Philippines, and is pressing some other countries to let it build more military bases linking the Indian Ocean perimeter.

During the years of its rule, under the lable of increased Soviet threat to the Asia-Pacific area, the Reagan administration has increased its force in the region and has pressed its allies in the region to increase their military budgets and engage in an arms race. It has consolidated the military blocs of northeastern Asia — composed of the United States, Japan, and South Korea — and ANZUS — composed of the United States, Australia, Italy, [as heard] and New Zealand. It has attracted China into a military alliance against the Soviet Union and has bribed, seduced, and pressed the ASEAN countries to form a military alliance. All of these attempts are aimed at creating an eastern NATO bloc to besiege and attack the Soviet Union and other socialist countries in the east and southwest. It has coordinated with the U.S. forces in the Indian Ocean to oppose the Afghan and Indian revolutions.

K 1

The U.S. Asia-Pacific strategy clearly and seriously threatens peace, security, independence, and sovereignty of nations in the region. However, in the current situation, although its ambitions are great, the United States has limited capabilities and has encountered insurmountable contradictions. It has lost its military superiority and has had to spread its forces thinly everywhere while its economy continues to be rife with unresolvable difficulties.

The political, military, and economic alliance between the United States and other reactionary forces is rife with contradictions. As every side has its own calculations and interests, conflicts can happen easily as they try to control and compete with one another. It is especially significant that the U.S. Asia-Pacific strategy is encountering strong opposition by the forces of peace, national independence, democracy, and socialism in the region.

The Soviet peace initiatives to ease the tense situation in the Far East and the Pacific and Indian oceans, the campaigns to protest nuclear weapons and chase U.S. warships from Japan and New Zealand, the determination of 13 southwestern Pacific countries to turn the region into a nuclear weapon-free zone, and so on clearly show the profound aspirations and trends of development in the region. Strenuously trying to reverse the wheel of history, the U.S. imperialists will not be able to avoid defeat.

LE DUAN MESSAGE TO AFGHANISTAN'S NAJIBOLLAH

BK061458 Hanoi Domestic Service in Vietnamese 1430 GMT 6 May 86

[6 May Congratulatory message from CPV Central Committee General Secretary Le Duan to Najibollah, general secretary of the People's Democratic Party of Afghanistan]

[Text] Dear Comrade Najibollah: On behalf of the CPV Central Committee, may I extend to you my warmest congratulations on the occasion of your election as general secretary of the Central Committee of the People's Democratic Party of Afghanistan.

I wish you many successes in your noble duty. May the militant solidarity, friendly relations, and fraternal cooperation between our two parties and peoples consolidate and develop successfully with each passing day.

DU MUOI ATTENDS CSSR ENVOY'S ANNIVERSARY RECEPTION

OWO62205 Hanoi VNA in English 1455 GMT 6 May 86

[Text] Hanoi VNA May 6 -- Czechoslovak Ambassador Bohusluv Handl gave a reception here today in celebration of the 41st National Day of the Czechoslovak Socialist Republic (May 9). Present on this occasion, among others, were Do Muoi, Politburo member of the Communist Party of Vietnam Central Committee and vice premier; Tran Quynh, member of the party Central Committee and vice premier; and Hoang Tung, secretary of the party Central Committee.

Speaking at the reception, Ambassador Bohuslav Handl and Vice Premier Do Muoi highly praised the allround achievements recorded by the Czechoslovak people over the past 41 years. Host and guest raised toasts to the further development of the friendship, solidarity and cooperation between the two parties and states for the sake of the two peoples and for world peace and security. Also on this occasion, a Czechoslovak book exhibition was opened here today by the Vietnamese Ministry of Culture.

MALAYSIA

REPORTAGE ON SABAH ELECTIONS, CABINET SHUFFLE

Voting Said 'Orderly'

BK061159 Kuala Lumpur Domestic Service in English 1130 GMT 6 May 86

[Excerpt] Counting of votes in the Sabah State elections will begin in [words indistinct]. All polling centers closed about an hour ago. Ballot boxes from all the constituencies have been brought into the counting centers. Helicopters were used to transport the boxes from remote areas. Polling on the 2d day of the staggered voting was reported to be brisk and orderly at all the 408 polling centers. Police maintained tight security, and no untoward incident was reported.

A bomb exploded in a shophouse in Inanam near Kota Kinabalu this morning, but it only blackened the wall of the stairway where it was placed. Kota Kinabalu OCPD [Officer Commanding Police District] Ishak Awadan said the explosion, believed to have been that of a fish bomb, occurred at about 0945. The bomb was placed at the staircase of a building leading to a hair-dressing saloon. It was wrapped in a bundle of [word indistinct]. This is the first explosion in the state capital since a spate of bombings at the height of unrest in March.

Election Results

BK070140 Kuala Lumpur BERNAMA in English 0133 GMT 7 May 86

[Text] Kota Kinabalu, Malaysia, May 7 (OANA-BERNAMA) -- The ruling Parti Bersatu Sabah (PBS) retained control of the East Malaysian Sabah State Government with a two-thirds majority in Tuesday's state elections. The PBS won 34 of the 48 seats, nine more than the previous elections last year.

Berjaya, which had ruled Sabah for nine years before being unseated by PBS won a solitary seat through its president, Mohamed Nor Mansor at Buang Sayang. Berjaya had put up 37 candidates.

The United Sabah National Organisation (USNO), the other main opposition party which had ruled the state since independence until it was bundled out by Berjaya in April 1976 had its previous 16 seats slashed to 12. The remaining seat was won by the Sabah Chinese Consolidated Party whose candidate James Ku later announced he would join the PBS. This gives the PBS one more seat. Under the Sabah constitution, the PBS can appoint six members to the legislative assembly giving it 41 seats in the 54 seat assembly — the two-thirds majority it was looking for when it went to the polls.

The state election, the second in over a year, was called after four PBS assemblymen resigned leaving it with the same number of elected representatives as the opposition's total. Chief minister and PBS President Joseph Pairin Kitingan to stop the slide in his party's standings advised the Yang Dipertua Negri (head of state) to dissolve the assembly, paving the way for the election. Pairin and his deputy, Mark Koding won their seats with increased majorities.

PBS 'Landslide Victory'

BK070107 Kuala Lumpur Domestic Service in English 0000 GMT 7 May 86

[Text] Parti Bersatu Sabah [PBS] has won a landslide victory in the state elections.

It captured 44 of the 48 seats in the Sabah state assembly. The party will form the next state government with a comfortable majority. Our correspondent in Kota Kinabalu, Paul Chang, has more details.

[Begin recording] The party has secured 53.17 percent of the total vote cast when compared to only about one-third in the previous elections. This proves not only it recaptured the 25 possible seats it won in the previous state elections but also conquered four of the USNO [United Sabah National Organization] and four of the constituencies won by Berjaya in April last year.

The number of seats obtained by USNO has been reduced to 10 and the percentage of votes it secured also decreased. The party secured about 20 percent of the total vote cast. Party Berjaya suffered another [word indistinct] in the state elections as it only obtained one-fifth through its President Datuk Haji Mohemed Noor Mansor at Buang Sayang. The remaining one-fifth was obtained by a candidate from SCCP [Sabah Chinese Community Party]. Other parties were totally defeated.

A total of 66 candidates [word indistinct] before the state's next elections. Thirty-three of them were independent candidates, 12 from Berjaya, [number indistinct] from SCCP, UNSO, and [worlds indistinct]. All ministers and assistant ministers in the previous Datuk Pairin's cabinet were returned.

Paul Chang reporting from Kota Kinabalu. [end recording]

Datuk Pairin was retained inthe Tambunan constituency with a big majority.

AFP Reports Cabinet Reshuffle

BK070809 Hong Kong AFP in English 0759 GMT 7 May 86

[Text] Kuala Lumpur, May 7 (AFP) -- Prime Minister Dr. Mahathir Mohamed has reshuffled his cabinet, appointing millionaire businessman Ghafar Baba deputy prime minister, Cabinet Spokesman Rais Yatim said Wednesday. Ghafar, 61, a vice-president in Dr. Mahathir's United Malays National Organisation (UMNO), replaces Musa Hitam who quit the deputy premiership in February over personal differences with the prime minister.

Mr Rais said after the weekly cabinet meeting that Mr Ghafar would also hold the rural development portfolio while Dr. Mahathir himself would take over the powerful Home Ministry which Mr Musa vacated. Mr Rais said that Mr Ghafar's appointment and other changes involving only senior members of the cabinet from UMNO, which dominates the ruling 11-party coalition, would take effect Saturday.

Anwar Ibrahim, head of UMNO's powerful youth wing and widely seen as a future prime minister, continued his meteoric rise, moving from the agriculture to the Education Ministry. His slot at the Rural Development Ministry is to be taken over by another Mahathir confidant, Sanusi Junid, who is also UMNO secretary-general. The current education minister Abdullah Ahmad Badawi moves to the Defence Ministry, a portfolio held by Dr Mahathir, Mr Rais, who is information minister, said.

AFP NOTES MAHATHIR-LAUREL MEETING TO RESOLVE SABAH

BK051025 Hong Kong AFP in English 1013 GMT 5 May 86

[Text] Kuala Lumpur, May 5 (AFP) -- Malaysia believes the Philippines' claim to Sabah can be resolved quickly following a secret meeting between Prime Minister Mahathir Mohamed and Philippine Vice-President Salvador Laurel, Foreign Minister Tengku Ahmad Rithauddeen said Monday.

"I cannot disclose what transpired at the meeting, but Mr. Laurel and Dr. Mahathir met for more than an hour," Mr. Rithauddeen said, adding that Mr. Laurel, who is also foreign minister, had invited Dr. Mahathir during the meeting Friday to visit the Philippines. Top Malaysian officials previously said that no Malaysian prime minister would make an official visit to the Philippines while the 23-year-old claim to the east Malaysian state remained unsettled. Malaysian cabinet ministers have gone to Manila for multilateral meetings such as those held by the Association of Southeast Asian Nations (ASEAN) of which Malaysia and the Philippines are members. Dr. Mahathir has indicated that he would attend the proposed ASEAN summit to be held in Manila in July.

Mr. Rithauddeen said that he and Mr. Laurel flew to Kuala Lumpur together after the Philippine vice-president indicated a desire to meet Dr. Mahathir while attending the ASEAN foreign ministers meeting with U.S. President Ronald Reagan in Bali, Indonesia. Mr. Rithauddeen declined to discuss how the claim which Malaysia wants dropped would be handled, but other top Malaysian officials said the Philippines' move to rewrite its constitution would provide an opportunity to redefine Manila's territories. Mr Laurel said in Manila on Sunday that he thought the two countries had moved forward on the issue although he refused to discuss it because of a mutual agreement not to do so.

The Philippines' claim to Sabah was first moved by former President Diosdado Macapagal in 1963 shortly after Sabah, then called British North Borneo, joined the Malaysian federation together with Sarawak and Singapore. Singapore left the federation two years later. Mr. Macapagal based his case on the proprietary claim on Sabah by the heirs of the sultan of Sulu, who once controlled a group of southern Philippine islands.

SINGAPORE

FOREIGN MINISTER MEETS WITH BURMESE COUNTERPART

BKO61437 Singapore Domestic Service in English 1400 GMT 6 May 86

[Text] The visiting Burmese foreign minister, U Ye Gaung, today held talks with his Singapore counterpart, Mr Dhanabalan, at the City Hall. Mr Dhanabalan later told reporters that the discussions centered on ways to improve (?trade) between Singapore and Burma. U Ye Gaung was also briefed on the ASEAN foreign ministers meeting in Bali.

Another visitor, the state councillor and the governor of the People's Bank of China, Madame Chen Muhua, called on the acting minister of trade and industry, Brigadier General Lee Hsien Loong. Also at the meeting was the minister of state for trade and industry, Dr Lee Boon Yang.

AQUINO: HUSBAND, ENRILE, RAMOS MODERN HEROES

HK061056 Hong Kong AFP in English 1047 GMT 6 May 86

[Text] Manila, May 6 (AFP) -- President Corazon Aquino Tuesday declared her assassinated husband Benigno Aquino, Defense Minister Juan Ponce Enrile and Armed Forces Chief General Fidel Ramos modern Filipino heroes.

In rites marking the defeat of U.S. and Filipino forces to the Japanese at Corregidor Island near Manila in World War II, U.S. and Japanese envoys hailed the return of democracy here and reiterated support for the Aquino government.

Mrs Aquino's assumption to the presidency in February capped a political crisis sparked by the murder of her husband at Manila Airport August 21, 1983 allegedly by troops loyal to President Ferdinand Marcos.

"All of us shared in that death, lost a part of ourselves on that airport tarmac. It was that part of us that knew how to be afraid, that had learned to be silent, that feigned indifference, that accepted tyranny.... Three years later, we are risen as a free nation," she said in a speech read for her by Vice President Salvador Laurel.

She said Mr Enrile and Gen Ramos, who led the military mutiny that ended the 20-year Marcos rule, staged "the first coup d'etat in history achieved by standing their ground rather than attacking the stronghold of the status quo."

The president honored the thousands of civilians who protectively surrounded the two and rebel soldiers who were holed up in two Manila military camps, forcing Marcos loyalist tanks and troops to turn back and abandon him. She also cited volunteer watchdogs who fought fraud in the February 7 presidential election, as well as government computer programmers whose walkout generated widespread rejection of Mr Marcos's proclamation as the poll winner. "These... are the heroes we honor today — men of the greatest courage who chose to put concerns of the country above self-interest, and the commandments of God above the forces of history," the president said.

March 6 is celebrated here as the Day of Valor, a national holiday, the ceremonies were held at Fort Santiago, a former Spanish colonial headquarters used by Japanese as a garrison in World War II.

U.S. Ambassador Stephen Bosworth, reading the traditional speech of the American representative at the ceremony, said the United States, Japan and the Philippines are now "practising democracies committed to freedom and peace," "Free men and women around the world have been moved by what the people of the Philippines have accomplished in recent months," he said. "We stand prepared to render what assistance we can in the recovery of your economic well-being, and we strongly support your efforts to consoldiate fully your democratic institutions," he added.

Japanese Ambassador Kiyoshi Sumiya congratulated President Aquino and Vice President Laurel and said "I sincerely wish the people of the Philippines every success in their continued quest for peace and prosperity." No explanation was given for why Mrs Aquino did not attend the ceremony.

LAUREL NOTES LOW KEY APPROACH TO SABAH ISSUE

HK070443 Quezon City DZFM Radio in English 2300 GMT 6 May 86

[Excerpt] Vice President and Foreign Minister Salvador Laurel said the government will use a low key approach in settling the Sabah issue.

Mr Laurel said this is the best approach to the issue which is being threatened by forces who are out to see it fail. He said the government should not be bogged down by elements seeking to undermine the Sabah settlement.

The Sabah issue is the main topic that will be discussed in a planned visit to the country by Malaysian Prime Minister Mahathir Muhammad. Laurel said he will pursue a speedy solution to the Sabah claims dispute.

[Begin Laurel recording] We have agreed that we will treat this on a very low profile basis bacause there are parties who are interested in throwing barriers in preventing a settlement of this particular dispute. There are many parties who would not like to see the Sabah question solved peacefully, wo we do not want them to have that chance and we are keeping this underwraps for a while. [end recording]

CABINET REJECTS IMF PROPOSAL TO RAISE OIL TAXES

HK060411 Quezon City DZFM Radio in English 2300 GMT 5 May 86

[Text] The Cabinet says it won't recommend increased oil taxes being demanded by the International Monetary Fund. At a special meeting yesterday, Cabinet members said the IMF move runs counter to President Aquino's pledge to lower oil prices. They said raising import and sales taxes on oil would bring oil prices up, instead of down.

The Cabinet said lower oil prices are required to bring down in turn prices of basic commodities. The IMF proposal to raise oil taxes was among the measures reported at the special meeting by Financial Minister Jaime Ongpin and Central Bank Governor Jose Fernandez. The two held talks and negotiations with IMF officials in Washington last month.

At the same special Cabinet meeting, NEDA [National Economic Development Authority] chief Solita Monsod reiterated the need to abolish 15 government agencies. Monsod singled out the Human Settlements Ministry, the Metro Manila Commission, the KKK [Kilusang Kabuhayan at Kaunlaran -- livelihood and Progress Movement] secretariat, and even the Gintong Alay [Golden Offer] project [sports training program formerly headed by Marcos' nephew]. She said these agencies do not fit into the priorities laid down by the Aquino government. Monsod said their abolition could give the government much needed savings.

[Begin Monsod recording] In accordance with the NEDA proposal, it is a definite bottomline requirement. We require that the debt service burden for interests alone —by the way, that 3.1 billion dollars is just for interests alone — must be lightened. How it is going to be lightened and the negotiating stance taken is something that has to be studied and for which a consensus must be reached. [end recording]

RAMOS STRESSES NEED TO WIN 'HEARTS, MINDS'

HK060405 Manila MANILA BULLETIN in English 4 May 86 pp 1, 13

[By Vic Arevalo]

[Text] Zamboanga city -- Gen. Fidel V. Ramos, Armed Forces chief of staff, called on military commanders in Mindanao to establish a people's intelligence network as a means to combat insurgency.

The network, dubbed as Early Warning Information of the People (EWIP), would have civilians working in close coordination with the military to report the presence and movements of dissidents in their respective localities. But Ramos stressed that this can only be possible in places where the military enjoys the confidence and cooperation of the people.

He said the EWIP will be a counterversion to the rebels' network of informers in which they use tricycle drivers, farmers, and the masses to report on military movements. General Ramos was the guest in the 10th anniversary of Southern Command yesterday.

He also ordered military commanders to stay out of controversies generated by designation of officers-in-charge [OIC] in local governments except when there is violence, in which case the military is duty bond to protect and ensure safety of the people.

Reacting to reports of barricades in Mindanao as a result of OIC disputes, Ramos, said that as a matter of policy the military will only act to remove the capability of armed groups to create violence. He said that the role of the Armed Forces in the national reconciliation effort is to provide security and ensure an atmosphere of peace, unity and tranquility to enable the people to attain political and economic stability.

Ramos warned of the threat of insurgents, the so-called illegal third political party, to topple the government and to restructure society. "Our counter effort is to gain the hearts, minds and cooperation of our people in the fight against insurgency," Ramos stressed.

HUMAN RIGHTS COMMISSION TO BEGIN MILITARY PROBE

HKO20924 Quezon City WE FORUM in English 29 April -- 5 May 86 p 13

[By Rene Pastor]

[Text] Next week, the Presidential Committee on Human Rights will buckle down to the business of investigating human rights violations, a move that will necessarily involve abuses committed by the military during the Marcos years. Led by civil libertarian and former senator Jose W. Diokno, the 7-man committee has been given broad powers, including full access to classified government information.

The implications of the Committee's task is not lost to the military bureaucracy. "If the military committed atrocities, the other side also did," says a reformist colonel. "To be fair, that should be investigated." AFP Chief Gen. Fidel Ramos himself noted that "if there is general amnesty for all communist rebels, there should be amnesty to all soldiers."

Is the military the chief target of the Diokno Committee?

"The soldiers and policemen are expected to uphold the law," Diokno told WE FORUM. "If they themselves violated the law, why should they be exempt from prosecution?

Even so, it remains to be seen whether the tightly-knit officer corps will be willing to spill the beans. Their standard defense is that they were simply obeying orders from the higher-ups.

Replied Diokno, "If they had just been 'following orders', all these officers have to do is to tell us who gave the orders and be ready to stand up in court and say so."

The scenario is much like that of Argentina after the military Government turned over power to civilian President Raul Alfonsin after the country's humiliating defeat against Britain in the battle of the Malvinas or Falkland Islands. Alfonsin got a human rights commission together, and in precedent-setting fashion, put three former presidents of the military junta on trial for human rights violations in the "dirty war" waged against the Left in 1976 when a coup led to Isabel Peron's downfall.

The three junta leaders who went on trial were Armed Forces Commandant Lt. Gen. Rafael Videla, Gen. Roberto Eduardo Viola, and Lt. Gen. Leopoldo Galtieri. Gen. Videla was sentenced to life imprisonment, ordered to pay damages, and stripped of his rank. Viola received 17 years in jail and the same penalties as Videla. Both were found guilty of human rights violations, homicide, and torture of detainees. Galtieri was acquitted. Videla and Viola are appealing their cases in the Argentine Supreme Court.

"People are still afraid to talk after any dictatorship," said an Argentinian residing in the Philippines. "The trial of the generals uncovered a great deal of human rights violations." Argentina, he added, had a bad experience from military governments, from the time of Person and his wife Evita to all the military coups. "We were not looking for revenge, we were only looking for justice," he said. "A historic period was finished in our country and we wanted to close this issue. True, there were some grumblings in the military, something similar to what is happening in the Philippines."

In Argentina, the generals bore the brunt of the human rights investigation while the intelligence and lower echelon officers who did the dirty work of torture and killing remained untouched. "I expect the majority of the military to be in favor of a clean-up," Diokno said. "I cannot see the military stating that the bulk of their people were human rights violators."

Despite the military's open display of restiveness, the Committee has not been subjected to any form of pressure so far. Diokno, however, has received a call from Defense Chief Juan Ponce Enrile. "Enrile called me up," he said. "He stated that he'd like to clarify all those rumors and stories appearing in the papers. I told him if his name crops up in the meetings of the Human Rights Commission and the evidence is sufficient, he would be informed about that."

Diokno, who was one of several officials detained by Marcos during martial law, sees his Committee's role as a cathartic one. "We are serving a cathartic role by looking into the human rights violations of the Marcos years. People want reconciliation but there should also be justice. We are like the Argentinians in the sense that we are going after the same cases. Our Filipinos who disappeared, our desparecidos [disappeared ones].

The idea behind all this, he stressed, "is to install in soldiers more awareness of human rights, to prevent abuses, and emphasize civilian supremacy in our government."

MARCOS SUPPORTERS RALLY OCCURS PEACEFULLY

HK070353 Manila Far East Broadcasting Company in English 2300 GMT 6 May 86

[Text] Some 5,000 Marcos loyalists yesterday [6 May] staged another demonstration at Liwasang Bonifacio in downtown Manila and dispersed at 5 pm in compliance with the permit issued by Acting Mayor Mel Lopez Jr.

As in their mass action, the loyalists demanded the return of former President Marcos to the Philippines from his exile in Hawaii. They said Marcos has remained the legitimate president of the Philippines. At the same time, they denounced the government of President Aquino as illegitimate.

Although the demonstrators had a city hall permit, police did not take any chances. Contingents of uniformed and plainclothes policemen had been deployed around Liwasang Bonifacio in anticipation of any outbreak of violence, but by the time the loyalists broke up, no untoward incident was reported. Public speakers accused the Aquino government of vindictiveness against the deposed president and his family.

COOK ISLANDS WOULD CONSIDER MARCOS ASYLUM REQUEST

HKO 70415 Manila Far East Broadcasting Company in English 2300 GMT 6 May 86

[Text] Cook Islands Prime Minister Tom Davis said yesterday [6 May] that his Cabinet has discussed the possibility of giving refuge to ousted Philippine President Ferdinand Marcos. Davis said his government has never had formal contacts with Marcos or his people working for him and that the Cabinet had talked of the matter in a joking manner.

He said that if a formal request from Marcos was forthcoming, it would be treated seriously. Davis' comment followed media speculation that the former president and his wife Imelda are planning to live in the Cook Islands and their aides have discussed the possibility of buying one of their 51 scattered islands some 1,000 kilometers north of New Zealand.

OPLE CITES 'INTRANSIGENCE' OF AQUINO GOVERNMENT

HKO60431 Manila MANILA BULLETIN in English 4 May 86 pp 1, 13

[Text] President Aquino was urged yesterday to "exorcise the demons of revenge and hate from Philippine politics" by healing the wounds of past political combat in the light of the labor day clashes between Aquino and Marcos supporters and the rally of Marcos loyalists at the Rizal Park today. Jaime Cardinal Sin and the Catholic Church bishops were also asked to assist the President in the healing process before "a spirit of reciprocal revenge catches on nationwide and endangers the nation's safety."

Chairman Blas F. Ople of the Partido Nacionalista ng Pilipinas [Philippine Nationalist Party] (PNP) said in a statement that Mrs Aquino can "alter this political unrest by simply extending her policy of reconciliation to those millions whose only crime was to vote for her opponent, former President Marcos." He said the Catholic Church "has a special obligation to heal the divisions it has partly created by becoming a protagonist"

Ople noted that, except for members of the Kilusang Bagong Lipunan (KBL), past or present, President Aquino has offered reconciliation with the communists, the National Democratic Front (NDF), the boycotters, the Moro National Liberation Front (MNLF) and the reservists and integrees in the Armed Forces. "You can see where all the exacerbation of political unrest is coming from," he said. "The intransigence of the Marcos loyalists was not created by Mr Marcos but by the intransigence of the Aquino government."

Ople observed it is difficult to persuade governors, mayors, and Sanggunian members, who were elected by the people, but summarily replaced by officers-in-charge, that such a policy of reconciliation is at work.

The abolition of the Batasang Pambansa, whose members were also elected by their constituencies, and the dismissal of thousands from the civil service on partisan grounds, have tended to polarize the nation and exacerbate unrest, he added. "In taking these decisions," he said, "the Aquino government has endangered its own stability from narrow partisan considerations."

The PNP leader said reconciliation with the KBL and ex-KBL supporters need not deflect President Aquino from her policy of going after any wrongdoing committed in the past which is in fulfillment of a major compaign pledge. "The law must take its course but it must be seen as impartial and, therefore, nonpartisan, nonvindictive, though resolute."

Ople said that had President Aquino chosen a path of reconciliation with the KBL and ex-KBL members, "she would have ensured national unity and stability under her leader-ship and, in the process, isolated the most rabid supporters of the previous government."

What ensued instead, Ople observed, was "a government vendetta" that released pent-up resentments and virtually created the current phenomenon know as the "Marcos loyalists."

Ople said a member of President Aquino's Cabinet recently told his staff: "We do not consider KBLs as people." But they are surprised when some Maros loyalists bare their fangs, he remarked. "You generally reap what you sow and in the case of hate your harvest is sure to be bountiful, you will reap beyond a hundredfold of your investment." Ople said.

SISON WILLING TO WORK ON CONSTITUTION COMMISSION

HK021533 Manila THE NEWS HERALD in English 2 May 86 p 2

[Text] Jose Maria Sison, founder of the Communist Party of the Philippines and expolitical detainee, is willing to work in the Constitutional Commission. "If the offer is made to me, I will consider it," he said in reply to a question at a lecture open forum at the UP [University of the Philippines] Asian Center recently.

A staunch nationalist and an avowed Marxist Leninist, Sison earlier pointed out that the demantling [word as published] of the U.S. bases in the Philippines can be easily effected if nationalists and civil libertarians form the majority in the Constitutional Commission. "The bases issue can be resolved by a mere insertion of a simple statement attesting to the national sovereignty and territorial integrity of the Philippines," he said.

Sison also contradicted allegations that "there are communists in Cory Aquino's government." He said that the likes of Saguisag and Arroyo are more appropriately tagged as "nationalists and progressive liberal democrats." However, he also noted that key positions in the Aquino government like finance and defense are controlled by people who are pro U.S. "She might try one of two communists in her government," he said quickly and jocularly putting once in for the communist cause.

Sison once more affirmed the positively [word as published] of a ceasefire and also pointed the practical value of a free line of communication between the government and the NPA to counter a possible step from Marcos loyalists.

MISUARI FACTION CRITICIZES GROUP INVOLVED IN TALKS

HK070109 Quezon City ANG PAHAYAGANG MALAYA in English 26 Apr 86 p 16

[By Jam Maridul]

[Text] In what appears to be a repudiation of the ongoing move by a breakaway Moro group to talk peace with the Aquino government, the Moro National Liberation Front under the leadership of Nur Misuari recently called on the Bangsa Moro people in Southern Philippines to stay away from any negotiation that will "compromise the Bangsa Moro's right to self-determination." In a statement published in the Kahalan, a publication of the MNLF urban sector, the hardline Misuari faction also cautioned the administration against dealing with what it described as "self-proclaimed" MNLF leaders and warned the government not to follow the former regime's policy of "divide and rule" in settling the civil strife in Mindanao.

Deploring the unilateral effort of the MNLF reformist group led by Dimas Pundato and lawyer Macapanton Abbas Jr. to negotiate with the government even without knowing the mechanics for "honorable" negotiation, the Misuari group hinted on the resumption of hostilities in Mindanao if the cause of the Bangsa Moro revolution is subverted, apparently referring to a negotiation without the participation of the Libyan based Misuari, the MNLF chairman who is recognized by the 43-nation Organization of Islamic Conference (OIC) as the legitimate representative of the Muslims in the Philippines.

Abbas and some leaders of the reformist group arrived last month in the country from their base in Malaysia purportedly for a dialog with the Aquino government. In his tour of some Mindanao provinces recently, Abbas reportedly inked an ceasefire agreement with military commanders in the area. It was not, however, known if the ceasefire binds other MNLF factions.

So far President Aquino has neither met any MNLF leader nor issued a statement on how to solve the war in the South which, according to reports has been responsible for the death of 70,000 people.

"We welcome a negotiation if it will lead to peace and freedom of the Bangsa Moro. But we will never agree to any negotiation that will compormise the right of the Bangsa Moro, to self-determination," Misuari was quoted by Kahalan as saying. Stressing that "renegades, colonial agents and remnants of the blood-thirsty Marcos regime are putting the Bangsa Moro's right to national independence on the auction block", the publication claimed that the current "peace talk" between the Muslim reformists and top officials of the government is undermining the Bangsa Moro revolution."

In an editorial signed by the political department of the publication, it declared that the Bangsa Moro "will never live in peace unless we regain our national independence". "The enemies of nationhood and freedom will not let us rest", it added.

There was no indication in the publication that Misuari has budged from his original stance for a sovereign Moro state in what he considers Moro national homeland, the areas of Mindanao and Sulu.

Aside from the pro-autonomy reformist group and Misuari's MNLF, another Moro group called Moro Islamic Liberation Front (MILF) is also fighting for political autonomy within the context of Philippine sovereignty and territorial integrity. MILF is headed by Salamat Hashim, a fundamentalist Islamic scholar who is reportedly based in Pakistan. The MILF commands large number of followers in Central Mindanao and is said to be incontrol of many towns in the provinces of Cotabato and Lanao.

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